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TITLE 7—AGRICULTURE

Chapter IX—Production and Marketing Administration (Marketing Agreements and Orders), Department of Agriculture

PART 932—MILK IN THE FORT WAYNE, IND., MARKETING AREA

ORDER AMENDING ORDER, AS AMENDED, REGULATING HANDLING

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AUTHORITY: §§ 932.0 to 932.101 issued under sec. 5, 49 Stat. 753, as amended; 7 U. S. C. and Sup., 608c.

§ 932.0 *Findings and determinations.* The findings and determinations herein-after set forth are supplementary and in addition to the findings and determinations previously made in connection with the issuance of the aforesaid order and of each of the previously issued amendments thereto; and all of said previous findings and determinations are hereby ratified and affirmed, except insofar as such findings and determinations may be in conflict with the findings and determinations set forth herein.

(a) *Findings upon the basis of the hearing record.* Pursuant to the provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U. S. C. 601 et seq.), and the applicable rules of practice and procedure, as amended, governing the formulation of marketing agreements and marketing orders (7 CFR Part 900), a public hearing was held at Fort Wayne, Indiana, on January 31 and February 1, 1950, upon certain proposed amendments to the

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tentative marketing agreement and to the order, as amended, regulating the handling of milk in the Fort Wayne, Indiana, marketing area. Upon the basis of the evidence introduced at such hearing and the record thereof, it is found that:

(1) The said order, as amended, and as hereby further amended, and all of the terms and conditions thereof, will tend to effectuate the declared policy of the act;

(2) The parity prices of milk as determined pursuant to section 2 of the act are not reasonable in view of the price of feeds, available supplies of feeds and other economic conditions which affect market supply and demand for milk in the said marketing area, and the minimum prices specified in the order, as amended, and as hereby further amended, are such prices as will reflect the aforesaid factors, insure a sufficient quantity of pure and wholesome milk and be in the public interest; and

(3) The said order, as amended, and as hereby further amended, regulates the handling of milk in the same manner as and is applicable only to persons in the respective classes of industrial and commercial activity specified in a marketing agreement upon which a hearing has been held.

(b) *Additional findings.* It is necessary, in the public interest, to make effective not later than June 1, 1950, the present amendments to the said order, as amended, in order to reflect current marketing conditions. Any delay beyond June 1, 1950, in the effective date of this order, as amended, and as hereby further amended, will seriously impair orderly marketing of milk in the Fort Wayne, Indiana, marketing area. The provisions of the said order are well known to handlers—the public hearing having been held January 31 and February 1, 1950, and the decision having been executed by the Secretary on May 9, 1950. Therefore, reasonable time, under the circumstances, has been afforded persons affected to prepare for its effective date. In view of the foregoing, it is hereby found and determined that good cause exists for making this order, amending the order, as amended, effective June 1, 1950, and that it would be impracticable, unnecessary, and contrary to the public interest to delay the effective date of this order 30 days after its publication in the FEDERAL REGISTER (see section 4 (c), Administrative Procedure Act, Public Law 404, 79th Congress, 60 Stat. 237; 5 U. S. C. 1001 et seq.).

(c) *Determinations.* It is hereby determined that handlers (excluding cooperative associations of producers who are not engaged in processing, distributing, or shipping the milk covered by this order, as amended) of more than 50 percent of the volume of milk covered by the aforesaid order, as amended and as hereby further amended, which is marketed within the Fort Wayne, Indiana, marketing area, refused or failed to sign the marketing agreement regulating the handling of milk in the said marketing area; and it is hereby further determined that:

(1) The refusal or failure of such handlers to sign said marketing agreement

tends to prevent the effectuation of the declared policy of the act;

(2) The issuance of this order, further amending the said order, as amended, is the only practical means, pursuant to the declared policy of the act, of advancing the interests of producers of milk which is produced for sale in the said marketing area; and

(3) The issuance of this order amending the order, as amended, is approved or favored by at least two-thirds of the producers who participated in a referendum on the question of approval of its issuance, and who, during the determined representative period (February 1950), were engaged in the production of milk for sale in the said marketing area.

Order relative to handling. It is therefore ordered that on and after the effective date hereof the handling of milk in the Fort Wayne, Indiana, marketing area shall be in conformity to and in compliance with the terms and conditions of the aforesaid order as amended, and as hereby further amended, and the aforesaid order, as amended, is hereby further amended as follows:

DEFINITIONS

§ 932.1 *Act.* "Act" means Public Act No. 10, 73d Congress, as amended and as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended (7 U. S. C. 601 et seq.).

§ 932.2 *Secretary.* "Secretary" means the Secretary of Agriculture or such other officer or employee of the United States authorized to exercise the powers or to perform the duties of the said Secretary of Agriculture.

§ 932.3 *Department.* "Department" means the United States Department of Agriculture or such other Federal agency authorized to perform the price reporting functions specified in § 932.50 through § 932.54.

§ 932.4 *Market Administrator.* "Market Administrator" means the agency described in § 932.20.

§ 932.5 *Person.* "Person" means any individual, partnership, corporation, association, or any other business unit.

§ 932.6 *Fort Wayne, Indiana, marketing area.* "Fort Wayne, Indiana, marketing area," hereinafter called the "marketing area," means the territory within the corporate limits of Fort Wayne, Indiana.

§ 932.7 *Delivery period.* "Delivery period" means the calendar month or the total portion thereof during which this order is in effect.

§ 932.8 *Cooperative association.* "Cooperative association" means any cooperative marketing association of producers which the Secretary determines, after application by the association:

(a) To be qualified under the provisions of the act of Congress of February 18, 1922, as amended, known as the "Capper-Volstead Act"; and (b) to have full authority in the sale of milk of its members and to be engaged in making collective sales or marketing milk or its products for its members.

§ 932.9 *Route.* "Route" means a delivery (including at a plant store) of milk, skim milk, buttermilk, flavored milk, or flavored milk drink in fluid form to a wholesale or retail stop(s) other than to a milk processing or distributing plant(s).

§ 932.10 *Handler.* "Handler" means: (a) Any person, including any cooperative association, who operates a fluid milk plant; and

(b) Any cooperative association not operating a fluid milk plant with respect to:

(1) Milk caused by it to be delivered from producers' farms to a fluid milk plant for which milk such association is authorized to receive payment; or

(2) Milk certified by the Fort Wayne Board of Health for disposition within the marketing area as fluid milk which such association caused to be delivered, for its account, to a non-fluid milk plant. Milk caused to be so delivered shall be deemed to be received by such association.

§ 932.11 *Producer.* "Producer" means any person, except a producer-handler, having certification issued by the Fort Wayne Board of Health, to produce milk for disposition within the marketing area in the form of fluid milk who produces milk which is received during the delivery period (a) in a fluid milk plant, or (b) by a cooperative association not operating a fluid milk plant. This definition shall be deemed to include any such person whose milk has been received previously in a fluid milk plant but is caused to be delivered from a fluid milk plant to a nonfluid milk plant; and milk so delivered shall be deemed to have been received in such fluid milk plant.

§ 932.12 *Fluid milk plant.* "Fluid milk plant" means any milk processing or distributing plant approved by the appropriate health authorities of the marketing area, from which a route (or routes) is operated wholly or partially within the marketing area.

§ 932.13 *Producer milk.* "Producer milk" means milk produced and handled under the conditions set forth in § 932.11.

§ 932.14 *Other source milk.* "Other source milk" means all skim milk and butterfat other than that contained in producer milk.

§ 932.15 *Producer-handler.* "Producer-handler" means any person who produces milk but receives no milk from producers and operates a route extending into the marketing area.

§ 932.16 *Non-fluid milk plant.* "Non-fluid milk plant" means any milk plant not a fluid milk plant.

MARKET ADMINISTRATOR

§ 932.20 *Designation.* The agency for the administration hereof shall be a market administrator, selected by the Secretary, who shall be entitled to such compensation as may be determined by, and shall be subject to removal at the discretion of, the Secretary.

§ 932.21 *Powers.* The market administrator shall have the following powers with respect to this order:

- (a) To administer its terms and provisions;
- (b) To receive, investigate, and report to the Secretary complaints of violations;
- (c) To make rules and regulations to effectuate its terms and provisions; and
- (d) To recommend amendments to the Secretary.

§ 932.22 *Duties.* The market administrator shall perform all duties necessary to administer the terms and provisions of this order, including, but not limited to, the following:

(a) Within 30 days following the date on which he enters upon his duties, or such lesser period as may be prescribed by the Secretary, execute and deliver to the Secretary a bond, effective as of the date on which he enters upon such duties and conditioned upon the faithful performance of such duties, in an amount and with surety thereon satisfactory to the Secretary;

(b) Employ and fix the compensation of such persons as may be necessary to enable him to administer its terms and provisions;

(c) Obtain a bond in a reasonable amount and with reasonable surety thereon covering each employee who handles funds entrusted to the market administrator;

(d) Pay, out of the funds provided by § 932.86:

(1) The cost of his bond and of the bonds of his employees,

(2) His own compensation, and

(3) All other expenses, except those incurred under § 932.87, necessarily incurred by him in the maintenance and functioning of his office and in the performance of his duties;

(e) Keep such books and records as will clearly reflect the transactions provided for herein, and, upon request by the Secretary surrender the same to such other person as the Secretary may designate;

(f) Publicly announce, unless otherwise directed by the Secretary, by posting in a conspicuous place in his office and by such other means as he deems appropriate, the name of any person who within 10 days after the day upon which he is required to perform such acts, has not made (1) reports pursuant to § 932.30 or (2) payments pursuant to §§ 932.80 through 932.89;

(g) Submit his books and records to examination by the Secretary and furnish such information and reports as may be requested by the Secretary;

(h) On or before the 10th day after the end of each delivery period report to each cooperative association which so requests the amount and class utilization of milk caused to be delivered by such association, either directly or from producers who have authorized such association to receive payments for them, to each handler to whom the cooperative sells milk. For the purpose of this report the milk caused to be so delivered by an association shall be prorated to each class in the proportion that the total receipts of milk received from producers by such handler were used in each class;

(i) Audit all reports and payments by each handler by inspection of such handler's records and of the records of any

other handler or person upon whose utilization the classification of skim milk and butterfat for such handler depends;

(j) Publicly announce, by posting in a conspicuous place in his office and by such other means as he deems appropriate, the prices determined for each delivery period as follows:

(1) On or before the 5th day after the end of such delivery period, the minimum class prices and the butterfat differential for each class, and

(2) On or before the 11th day after the end of such delivery period, the uniform price computed pursuant to § 932.71 and the butterfat differential computed pursuant to § 932.82 and

(k) Prepare and disseminate to the public such statistics and information as he deems advisable and as do not reveal confidential information.

REPORTS, RECORDS AND FACILITIES

§ 932.30 *Reports of receipts and utilization.* On or before the 5th day after the end of each delivery period each handler, except a producer-handler, shall report to the market administrator in the detail and on forms prescribed by the market administrator:

(a) The quantities of butterfat and the quantities of skim milk contained (1) in (or used in the production of) all receipts within such delivery period at a fluid milk plant of producer milk, skim milk and butterfat in any form from any other handler, and other source milk, and (2) in all producer milk caused to be delivered during such delivery period to a non-fluid milk plant for the account of such handler.

(b) The product pounds of milk products received from any source other than a handler and disposed of in the same form, except milk products covered by the definition of Class III milk disposed of in the form in which received without further processing by the handler.

(c) The utilization of all receipts required to be reported under paragraphs (a) and (b) of this section; and

(d) Such other information with respect to all such receipts and utilization as the market administrator may prescribe.

§ 932.31 *Other reports.* (a) Each producer-handler shall make reports to the market administrator at such time and in such manner as the market administrator may prescribe.

(b) On or before the 20th day after the end of each delivery period each handler shall submit to the market administrator such handler's producer pay roll for the preceding delivery period, which shall show (1) the total pounds of milk received from each producer and cooperative association and the total pounds of butterfat contained in such milk, (2) the amount of payment to each producer and cooperative association, and (3) the nature and amount of any deductions and charges involved in the payments referred to in subparagraph (2) of this paragraph.

§ 932.32 *Records and facilities.* Each handler shall maintain, and make available to the market administrator or to his representative during the usual hours of business, such accounts and records of

his operations and such facilities as are necessary for the market administrator to verify or to establish the correct data with respect to:

(a) The receipts and utilization, in whatever form, of all skim milk and butterfat received, including milk products received and disposed of in the same form;

(b) The weights, samples, and tests for butterfat and for other content of all skim milk and butterfat handled;

(c) Payments to producers and cooperative associations; and

(d) The pounds of skim milk and butterfat contained in or represented by all milk, skim milk, cream and each milk product on hand at the beginning and at the end of each delivery period.

CLASSIFICATION

§ 932.40 *Skim milk and butterfat to be classified.* The market administrator shall classify pursuant to § 932.41 through § 932.46:

(a) All skim milk and butterfat, in any form, received within the delivery period by a handler at his fluid milk plant, in producer milk, in other source milk, and from another handler; and

(b) All skim milk and butterfat in producer milk caused by a handler to be delivered for his account to a non-fluid milk plant.

§ 932.41 *Classes of utilization.* Subject to the conditions set forth in § 932.43 and § 932.44, the skim milk and butterfat described in § 932.40 shall be classified by the market administrator on the basis of the following classes:

(a) Class I milk shall be all skim milk (including reconstituted skim milk) and butterfat:

(1) Disposed of in fluid form as milk, skim milk, buttermilk, or flavored milk or flavored milk drink (except as provided in paragraphs (c) (2) and (3) of this section); and

(2) Not specifically accounted for as any item included under subparagraph (1) of this paragraph or as Class II milk or Class III milk.

(b) Class II milk shall be all skim milk (including reconstituted skim milk) and butterfat disposed of in fluid form as (1) cream or as any mixture containing cream and milk, or skim milk (not including ice cream mix disposed of pursuant to paragraph (c) (4) of this section or any product disposed of in containers or dispensers under pressure for the purpose of dispensing a whipped or aerated product) containing not less than 6 percent of butterfat, and (2) egg nog.

(c) Class III milk shall be all skim milk and butterfat:

(1) Used to produce a milk product other than any of those specified in paragraph (a) (1) or in paragraph (b) of this section;

(2) Dumped or disposed of for livestock feed as skim milk, flavored milk, flavored milk drink, or buttermilk;

(3) Disposed of as bulk skim milk to any manufacturer of candy, soup, or bakery products who does not dispose of milk in fluid form;

(4) Disposed of as ice cream mix to a commercial processor;

(5) In actual plant shrinkage of producer milk computed pursuant to

§ 932.42, but not in excess of 2 percent thereof; and

(6) In actual plant shrinkage of other source milk computed pursuant to § 932.42.

§ 932.42 *Shrinkage.* The market administrator shall determine the shrinkage of skim milk and butterfat, respectively, in producer milk and in other source milk in the following manner:

(a) Compute the total shrinkage of skim milk and butterfat, respectively, for each handler; and

(b) Prorate the total shrinkage of skim milk and butterfat, respectively, computed pursuant to paragraph (a) of this section between producer milk and other source milk after deducting receipts from other handlers.

§ 932.43 *Responsibility of handlers and reclassification of milk.* (a) All skim milk and butterfat shall be Class I milk, unless the handler who first receives such skim milk or butterfat proves to the market administrator that such skim milk or butterfat should be classified otherwise.

(b) Any skim milk or butterfat classified (except that transferred to a producer-handler) in one class shall be reclassified if used or reused by such handler or by another handler in another class.

§ 932.44 *Disposition to milk plants.* Skim milk or butterfat disposed of by a handler to other milk plants shall be classified as follows:

(a) As Class I milk if disposed of to the fluid milk plant of another handler (except a producer-handler) in the form of milk or skim milk, and as Class II milk if so disposed of in the form of cream, unless utilization in another class is mutually indicated in writing to the market administrator by both handlers on or before the 5th day after the end of the delivery period within which such transaction occurred: *Provided*, That skim milk or butterfat so assigned to a particular class shall be limited to the amount thereof remaining in such class in the plant of the transferee handler after the subtraction of other source milk pursuant to § 932.46 (a) (2), and any excess of such skim milk or butterfat, respectively, shall be assigned in series beginning with the next lowest-priced available utilization.

(b) As Class I milk if disposed of to a producer-handler in the form of milk or skim milk, and as Class II milk if so disposed of in the form of cream;

(c) As Class I milk if disposed of, except as provided in paragraph (d) of this section, to a non-fluid milk plant not operated by the handler in the form of milk or skim milk, and as Class II milk if so disposed of in the form of cream, unless (1) the handler claims another class on the basis of a utilization mutually indicated in writing to the market administrator by both the transferring handler and receiver on or before the 5th day after the end of the delivery period within which such transaction occurred, (2) the receiver maintains books and records showing the utilization of all skim milk and butterfat at his plant which are made available if requested by the market administrator for

the purpose of verification, (3) such receiver's plant had actually used not less than an equivalent amount of skim milk and butterfat in the use indicated in such statement: *Provided*, That if upon inspection of his records such receiver's plant had not actually used an equivalent amount of skim milk and butterfat in such indicated use, the remaining pounds shall be classified on the basis of the next higher-priced available use in accordance with the classes set forth in § 932.41;

(d) As Class I milk if disposed of in the form of milk to a milk plant located 100 miles or more from the City Hall in Fort Wayne, Indiana, by shortest highway distance as determined by the market administrator; and

(e) As follows, if contained in producer milk caused to be delivered by a handler to a non-fluid milk plant operated by such handler:

(1) In accordance with its utilization in such non-fluid milk plant if there utilized; or

(2) In accordance with paragraphs (a), (b) or (c) (except for the reference to paragraph (d) therein) of this section, if further moved from such non-fluid milk plant to another milk plant;

Provided, That if the use in or disposition from the non-fluid milk plant of such handler is in conjunction with other receipts, the receipts of producer milk shall be allocated first to the available quantity of Class III milk and any remaining balance of such receipts shall be allocated to the available quantities of Class II milk and of Class I milk in that sequence.

§ 932.45 *Computation of skim milk and butterfat in each class.* For each delivery period, the market administrator shall correct for mathematical and for other obvious errors the delivery period report submitted by each handler and compute the total pounds of skim milk and butterfat, respectively, in Class I milk, Class II milk, and Class III milk for such handler.

§ 932.46 *Allocation of skim milk and butterfat classified.* (a) The pounds of skim milk remaining in each class after making the following computations shall be the pounds in such class allocated to producer milk:

(1) Subtract plant shrinkage of skim milk pursuant to § 932.41 (c) (5) from the total pounds of skim milk in Class III milk;

(2) Subtract from the remaining pounds of skim milk in each class, in series beginning with the lowest-priced available use, the pounds of skim milk in other source milk;

(3) Subtract from the remaining pounds of skim milk in each class the skim milk received from other handlers and assigned pursuant to § 932.44;

(4) Add to the remaining pounds of skim milk in Class III milk the pounds subtracted pursuant to subparagraph (1) of this paragraph; or if the remaining pounds of skim milk in all classes exceed the pounds of skim milk in producer milk, subtract such excess from the remaining pounds of skim milk in series beginning with the lowest-priced available use.

(b) Allocate classified butterfat to producer milk according to the method prescribed in paragraph (a) of this section for skim milk.

(c) Determine the weighted average butterfat test of the remaining Class I milk, Class II milk, and Class III milk computed pursuant to paragraphs (a) and (b) of this section.

MINIMUM PRICES

§ 932.50 *Basic formula price to be used in determining class prices.* The basic formula price per hundredweight of milk to be used in determining the class prices provided by this section shall be the highest of the prices per hundredweight for milk of 4.0 percent butterfat content determined by the market administrator pursuant to paragraphs (a), (b) and (c) of this section, computed to the nearest tenth of a cent.

(a) The average of the basic (or field) prices per hundredweight reported to have been paid, or to be paid, for milk of 4.0 percent butterfat content received from farmers during the delivery period at the following plants or places for which prices have been reported to the market administrator or to the Department:

Present operator	Location
Defiance Milk Products Co.	Defiance, Ohio.
Pet Milk Co.	Angola, Ind.
Pet Milk Co.	Garrett, Ind.
Kraft-Phenix Cheese Corp.	Kendallville, Ind.

(b) The price per hundredweight computed as follows:

(1) Multiply by six the average daily wholesale price per pound of 92-score butter in the Chicago market as reported by the Department during the delivery period;

(2) Add an amount equal to 2.4 times the average weekly prevailing price per pound of "Twins" during the delivery period on the Wisconsin Cheese Exchange at Plymouth, Wisconsin: *Provided*, That if the price of "Twins" is not quoted on the Wisconsin Cheese Exchange the weekly prevailing price per pound of "Cheddars" shall be used; and

(3) Divide by seven, add 30 percent thereof, and then multiply by 4.0.

(c) The price per hundredweight computed by adding together the plus values pursuant to subparagraphs (1) and (2) of this paragraph:

(1) From the average daily wholesale price per pound of 92-score butter in the Chicago market, as reported by the Department during the delivery period, subtract three cents, add 20 percent thereof, and then multiply by 4.0; and

(2) From the arithmetical average of the carlot prices per pound for nonfat dry milk solids (not including that specifically designated animal feed) spray and roller process, f. o. b. manufacturing plants in the Chicago area as published by the Department during the delivery period, deduct 5.5 cents, multiply by 8.5 and then multiply by 0.96, except that if such agency does not publish such prices f. o. b. manufacturing plants, there shall be used for the purpose of this computation the arithmetical average of the carlot prices thereof, delivered at Chicago, Illinois, as published weekly by such agency during the delivery period; and in the latter event the figure "7.5" shall

be substituted for "5.5" in the above formula.

§ 932.51 *Class I milk prices.* Subject to the provisions of § 932.54 and § 932.55 the minimum price per hundredweight, on a 4.0 percent butterfat content basis, to be paid by each handler at his plant, for producer milk received and classified as Class I milk, shall be the basic formula price determined pursuant to § 932.50 plus the following:

Delivery period:	Amount
April, May, and June.....	\$0.60
October, November, and December..	.90
All other months.....	.75

§ 932.52 *Class II milk prices.* Subject to the provisions of § 932.54 and § 932.55 the minimum price per hundredweight, on a 4.0 percent butterfat content basis, to be paid by each handler, at his plant, for producer milk received and classified as Class II milk, shall be the basic formula price determined pursuant to § 932.50, plus the following:

Delivery period:	Amount
April, May, and June.....	\$0.35
October, November, and December..	.65
All other months.....	.50

§ 932.53 *Class III milk prices.* Subject to the provisions of § 932.54 and § 932.55 the minimum price per hundredweight, on a 4.0 percent butterfat content basis, to be paid by each handler, at his plant, for producer milk received and classified as Class III milk, shall be the same as the basic formula price.

§ 932.54 *Butterfat differentials to handlers.* If for any handler, the weighted average butterfat test of his classified producer milk is more or less than 4.0 percent, there shall be added to or subtracted from, as the case may be, the price for such class, for each one-tenth of one percent that such weighted average butterfat test is above or below 4.0 percent, a butterfat differential (computed to the nearest tenth of a cent) calculated by the market administrator for such class as follows:

(a) *Class I milk.* Multiply by 1.3 the average daily wholesale price per pound of 92-score butter in the Chicago market as reported by the Department during the delivery period and divide the result by 10.

(b) *Class II milk.* Multiply by 1.25 the average daily wholesale price per pound of 92-score butter in the Chicago market as reported by the Department during the delivery period and divide the result by 10.

(c) *Class III milk.* Multiply by 1.15 the average daily wholesale price per pound of 92-score butter in the Chicago market as reported by the Department during the delivery period and divide the result by 10.

§ 932.55 *Emergency price provisions.* Whenever the provisions hereof require the market administrator to use a specific price (or prices) for milk or any milk product for the purpose of determining class prices or for any other purpose, the market administrator shall add to the specified price the amount of any subsidy or other similar payment being made by any Federal agency in

connection with the milk, or product, associated with the price specified: *Provided*, That if for any reason the price specified is not reported or published as indicated, the market administrator shall use the applicable maximum uniform price established by regulations of any Federal agency plus the amount of any subsidy or other similar payment: *Provided further*, That if the specified price is not reported or published and there is no applicable maximum uniform price, or if the specified price is not reported or published and the Secretary determines that the market price is below the applicable maximum uniform price, the market administrator shall use a price determined by the Secretary to be equivalent to or comparable with the price specified.

APPLICATION OF PROVISIONS

§ 932.60 *Producer-handlers.* Sections 932.40 through 932.46, 932.50 through 932.55, 932.70 through 932.72, and 932.80 through 932.89 shall not apply to a producer-handler.

§ 932.61 *Exempt milk.* Milk received by a handler the handling of which the Secretary determines to be subject to the pricing and payment provisions of any other Federal milk marketing agreement or order issued pursuant to the act for any fluid milk marketing area shall not be subject to the pricing and payment provisions hereof.

§ 932.62 *Milk caused to be delivered by cooperative associations.* A cooperative association shall be deemed to be a handler pursuant to § 932.10 (b) (1), with respect to milk caused by it to be delivered from producers' farms to a fluid milk plant, only for the purpose of making such payments to the market administrator as are required of such association pursuant to the proviso of § 932.84.

DETERMINATION OF UNIFORM PRICE

§ 932.70 *Computation of value of milk.* The value of producer milk received during each delivery period by each handler shall be a sum of money computed by the market administrator by multiplying the pounds of such milk in each class for the delivery period, by the applicable class prices, and adding together the resulting amounts: *Provided*, That if a handler, after subtracting other source milk and receipts from other handlers, has disposed of skim milk or butterfat in excess of the skim milk or butterfat which, on the basis of his report for the delivery period pursuant to § 932.30, has been credited to producers as having been received from them, there shall be added an amount computed by multiplying the pounds in each class as subtracted pursuant to § 932.46 (a) (4) and (b) by the applicable class prices.

§ 932.71 *Computation of uniform price.* For each delivery period, the market administrator shall compute the "uniform price" per hundredweight for milk, on the basis of 4.0 percent butterfat content, received from producers as follows:

(a) Combine into one total the values computed pursuant to § 932.70 for all handlers who made the reports pre-

scribed by § 932.30 except those in default of the payments prescribed in § 932.84 for the preceding delivery period;

(b) Add an amount representing the cash balance on hand in the producer-settlement fund, less the total amount of contingent obligations to handlers pursuant to § 932.85;

(c) Subtract, if the weighted average butterfat test of producer milk represented by the values included under paragraph (a) of this section is greater than 4.0 percent, or add, if such butterfat test is less than 4.0 percent, an amount computed by: multiplying the amount by which its weighted average butterfat test varies from 4.0 percent by the butterfat differential computed pursuant to § 932.82, and multiplying the resulting figure by the total hundredweight of such milk;

(d) Divide the resulting amount by the total hundredweight of producer milk represented by the values included in paragraph (a) of this section; and

(e) Subtract not less than 4 cents nor more than 5 cents (adjusting to the nearest one-tenth cent) from the amount per hundredweight computed under paragraph (d) of this section.

§ 932.72 *Notification of handlers.* On or before the 11th day after the end of each delivery period, the market administrator shall mail to each handler at his last known address, a statement showing (a) the amount and value of his milk in each class and the total thereof; (b) the applicable minimum class prices and uniform price; (c) the amount due such handler or the amount to be paid by such handler, as the case may be, pursuant to § 932.84 and § 932.85; and (d) the amount to be paid by each handler pursuant to §§ 932.80 (a) and (b), 932.86 and 932.87.

PAYMENTS

§ 932.80 *Time and method of final payment.* Each handler shall make payments, after deducting the amount of the payments made pursuant to § 932.81, as follows:

(a) On or before the 15th day after the end of each delivery period, to each producer, except producers for whom payment is received from the handler by a cooperative association pursuant to paragraph (b) of this section, at not less than the uniform price for such delivery period pursuant to § 932.71 adjusted by the producer butterfat differential pursuant to § 932.82, for all milk received from such producer during such delivery period: *Provided*, That if by such date such handler has not received full payment for such delivery period pursuant to § 932.85, he may reduce such payments uniformly per hundredweight for all producers by an amount not in excess of the per hundredweight reduction in payment from the market administrator; however, the handler shall make such balance of payment to those producers to whom it is due on or before the date for making payments pursuant to this paragraph next following that on which such balance of payment is received from the market administrator.

(b) On or before the 13th day after the end of each delivery period, to a

cooperative association with respect to milk caused to be delivered from producers' farms to such handler by such association during such delivery period, not less than the value of such milk computed at the minimum class prices. For the purpose of determining the classification of milk caused to be so delivered by a cooperative association to a handler, such milk shall be ratably apportioned among the receiving handler's total Class I milk, Class II milk, and Class III milk as determined pursuant to § 932.46.

§ 932.81 *Partial payments.* (a) On or before the last day of each delivery period, each handler shall make payment, except as set forth in paragraph (b) of this section, to each producer, for the milk received from such producer by such handler during the first 15 days of such delivery period, at not less than the uniform price for the preceding delivery period.

(b) On or before the day immediately preceding the last day of each delivery period, each handler shall make payment to a cooperative association, for milk caused to be delivered from producers' farms to such handler by such association during the first 15 days of such delivery period, at not less than the uniform price of the preceding delivery period.

§ 932.82 *Producer butterfat differential.* In making payments pursuant to § 932.80 (a) there shall be added to, or subtracted from, the uniform price for milk of 4.0 percent butterfat content, for each one-tenth of one percent of butterfat content in such producer milk above or below 4.0 percent, as the case may be, an amount computed by multiplying the average daily wholesale price per pound of 92-score butter at Chicago, as reported by the Department for the delivery period, by 1.15, dividing by 10, and rounding to the nearest tenth of a cent.

§ 932.83 *Producer-settlement fund.* The market administrator shall establish and maintain a separate fund known as the "producer-settlement fund" into which he shall deposit all payments made by handlers pursuant to § 932.84 and out of which he shall make all payments to handlers pursuant to § 932.85.

§ 932.84 *Payments to the producer-settlement fund.* On or before the 13th day after the end of each delivery period, each handler shall pay to the market administrator the amount by which the utilization value of producer milk received by such handler during such delivery period is greater than the value of such milk computed at the uniform price pursuant to § 932.71 adjusted by the butterfat differential provided by § 932.82: *Provided*, That with respect to milk for which payment is made by a handler to a cooperative association pursuant to § 932.80 (b), the association, in turn, shall pay to the market administrator, on or before the 14th day after the end of each delivery period, the amount by which the utilization value of such milk is greater than its value computed at the uniform price pursuant to § 932.71 adjusted by the butterfat differential provided by § 932.82.

§ 932.85 *Payments out of the producer-settlement fund.* On or before the 15th day after the end of each delivery period, the market administrator shall pay to each handler the amount by which the utilization value of producer milk received by such handler during such delivery period is less than the value of such milk computed at the uniform price pursuant to § 932.71 adjusted by the butterfat differential provided by § 932.82, less any unpaid obligations of such handler to the market administrator pursuant to § 932.84, § 932.86, § 932.87, and § 932.88: *Provided*, That with respect to milk for which payment is made by a handler to a cooperative association pursuant to § 932.80 (b), the market administrator shall pay, on or before the 15th day after the end of each delivery period, to such association the amount by which the utilization value of such milk is less than its value computed at the uniform price pursuant to § 932.71 adjusted by the butterfat differential provided by § 932.82: *And provided further*, That if the balance in the producer-settlement fund is insufficient to make all payments pursuant to this paragraph, the market administrator shall reduce uniformly such payments and shall complete such payments as soon as the necessary funds are available.

§ 932.86 *Expense of administration.* As his pro rata share of the expense incurred pursuant to § 932.22 (d) each handler shall pay the market administrator, on or before the 13th day after the end of each delivery period, 4 cents per hundredweight, or such lesser amount as the Secretary from time to time may prescribe with respect to all receipts within the delivery period of (a) producer milk (including such handler's own production), and (b) other source milk classified as Class I milk pursuant to § 932.41 (a) (1) and Class II milk.

§ 932.87 *Marketing services.* (a) Except as set forth in paragraph (b) of this section, each handler, in making payments to producers pursuant to § 932.80 (a), shall make a deduction of 4 cents per hundredweight of milk, or such lesser deduction as the Secretary from time to time may prescribe, with respect to the following:

(1) All milk received from producers at a plant not operated by a cooperative association; and

(2) All milk received at a plant operated by a cooperative association from producers who are not members of such association.

Such deductions shall be paid by the handler to the market administrator on or before the 13th day after the end of each delivery period. Such moneys shall be expended by the market administrator for verification of weights, samples, and tests of milk received from such producers and in providing for market information to such producers; such services to be performed in whole or in part by the market administrator or by an agent engaged by and responsible to him.

(b) In the case of each producer (1) who is a member of, or who has given written authorization for the rendering

of marketing services and the taking of deduction therefor to a cooperative association, (2) whose milk is received at a plant not operated by such association, and (3) for whom the Secretary determines that such association is performing the services described in paragraph (a) of this section, each handler shall deduct, in lieu of the deduction specified under paragraph (a) of this section, from the payments made pursuant to § 932.80 (a) the amount per hundredweight on milk authorized by such producer and shall pay over, on or before the 13th day after the end of such delivery period, such deduction to the association entitled to receive it under this paragraph.

§ 932.88 *Adjustments of accounts.* (a) Whenever audit by the market administrator of any handler's reports, books, records, or accounts discloses errors resulting in moneys due (1) the market administrator from such handler, (2) such handler from the market administrator, or (3) any producer or cooperative association from such handler, the market administrator shall promptly notify such handler of any such amount due; and payment thereof shall be made on or before the next date for making payment set forth in the provision under which such error occurred following the 5th day after such notice.

(b) Any unpaid obligation of a handler or of the market administrator pursuant to §§ 932.80 through 932.87 or to paragraph (a) of this section shall bear interest at the rate of one-half of one percent per month, such interest to accrue on the 5th day of the calendar month next following the due date of such obligation and on the first day of each calendar month thereafter until such obligation is paid.

§ 932.89 *Termination of obligations.* The provisions of this section shall apply to any obligation under this order for the payment of money irrespective of when such obligation arose, except an obligation involved in an action instituted before August 1, 1949, under section 8c (15) (A) of the act or before a court.

(a) The obligation of any handler to pay money required to be paid under the terms of this order shall, except as provided in paragraphs (b) and (c) of this section, terminate two years after the last day of the calendar month during which the market administrator receives the handler's utilization report on the milk involved in such obligation, unless within such two-year period the market administrator notifies the handler in writing that such money is due and payable. Service of such notice shall be complete upon mailing to the handler's last known address, and it shall contain but need not be limited to, the following information:

(1) The amount of the obligation;

(2) The month(s) during which the milk, with respect to which the obligation exists, was received or handled; and

(3) If the obligation is payable to one or more producers or to an association of producers, the name of such producer(s) or association of producers, or if the obligation is payable to the market

administrator, the account for which it is to be paid.

(b) If a handler fails or refuses, with respect to any obligation under this order, to make available to the market administrator or his representatives all books and records required by this order to be made available, the market administrator may, within the two-year period provided for in paragraph (a) of this section, notify the handler in writing of such failure or refusal. If the market administrator so notifies a handler, the said two-year period with respect to such obligation shall not begin to run until the first day of the calendar month following the month during which all such books and records pertaining to such obligation are made available to the market administrator or his representatives.

(c) Notwithstanding the provisions of paragraphs (a) and (b) of this section, a handler's obligation under this order to pay money shall not be terminated with respect to any transaction involving fraud or willful concealment of a fact, material to the obligation, on the part of the handler against whom the obligation is sought to be imposed.

(d) Any obligation on the part of the market administrator to pay a handler any money which such handler claims to be due him under the terms of this order shall terminate two years after the end of the calendar month during which the milk involved in the claim was received if an underpayment is claimed, or two years after the end of the calendar month during which the payment (including deduction or set-off by the market administrator) was made by the handler if a refund on such payment is claimed, unless such handler, within the applicable period of time, files, pursuant to section 8c (15) (A) of the act, a petition claiming such money.

EFFECTIVE TIME, SUSPENSION, OR TERMINATION

§ 932.90 *Effective time.* The provisions hereof, or of any amendment hereto, shall become effective at such time as the Secretary may declare and shall continue in force until suspended or terminated.

§ 932.91 *Suspension or termination.* The Secretary shall, whenever he finds that this order, or any provision thereof, obstructs or does not tend to effectuate the declared policy of the act, terminate or suspend the operation of this order or any such provision thereof.

§ 932.92 *Continuing obligations.* If, upon the suspension or termination of any or all provisions of this order, there are any obligations thereunder the final accrual or ascertainment of which requires further acts by any person (including the market administrator), such further acts shall be performed notwithstanding such suspension or termination.

§ 932.93 *Liquidation.* Upon the suspension or termination of the provisions hereof, except this section, the market administrator, or such other liquidating agent as the Secretary may designate, shall, if so directed by the Secretary, liquidate the business of the market administrator's office, dispose of all prop-

erty in his possession or control, including accounts receivable, and execute and deliver all assignments or other instruments necessary or appropriate to effectuate any such disposition. If a liquidating agent is so designated, all assets, books, and records of the market administrator shall be transferred promptly to such liquidating agent. If, upon such liquidation, the funds on hand exceed the amounts required to pay outstanding obligations of the office of the market administrator and to pay necessary expenses of liquidation and distribution, such excess shall be distributed to contributing handlers and producers in an equitable manner.

MISCELLANEOUS PROVISIONS

§ 932.100 *Agents.* The Secretary may, by designation in writing, name any officer or employee of the United States to act as his agent or representative in connection with any of the provisions hereof.

§ 932.101 *Separability of provisions.* If any provision hereof, or its application to any person or circumstances, is held invalid, the application of such provision, and of the remaining provisions hereof, to other persons or circumstances shall not be affected thereby.

Issued at Washington, D. C., this 24th day of May 1950, to be effective on the 1st day of June 1950.

[SEAL]

CHARLES F. BRANNAN,
Secretary of Agriculture.

[F. R. Doc. 50-4615; Filed, May 29, 1950;
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TITLE 14—CIVIL AVIATION

Chapter II—Civil Aeronautics Administration, Department of Commerce

[Amdt. 28]

PART 600—DESIGNATION OF CIVIL AIRWAYS

CIVIL AIRWAY ALTERATIONS

The civil airway alterations appearing hereinafter have been coordinated with the civil operators involved, the Army, the Navy, and the Air Force, through the Air Coordinating Committee, Airspace Subcommittee, and are adopted when indicated in order to promote safety of the flying public. Compliance with the notice, procedures, and effective date provisions of section 4 of the Administrative Procedure Act would be impracticable and contrary to public interest, and therefore is not required. Part 600 is amended as follows:

1. Section 600.14 is amended to read:

§ 600.14 *Green civil airway No. 4 (Los Angeles, Calif., to Philadelphia, Pa.).* From the Camarillo, Calif., radio range station via the Newhall, Calif., radio range station; Palmdale, Calif., radio range station; Daggett, Calif., radio range station; Needles, Calif., radio range station; Prescott, Ariz., radio range station; Winslow, Ariz., radio range station; El Morro, N. Mex., radio range station; Acomita, N. Mex., radio range station; Albuquerque, N. Mex., radio range station; Otto, N. Mex., radio range station; Tucumcari, N. Mex., radio range station;

Amarillo, Tex., radio range station; the intersection of the east course of the Amarillo, Tex., radio range and the southwest course of the Gage, Okla., radio range; Gage, Okla., radio range station; Wichita, Kans., radio range station; Lebo, Kans., radio range station; Kansas City, Mo., radio range station; the intersection of the northeast course of the Kansas City, Mo., radio range and the west course of the Columbia, Mo., radio range; Columbia, Mo., radio range station; St. Louis, Mo., radio range station; Effingham, Ill., radio range station; Terre Haute, Ind., radio range station; Indianapolis, Ind., radio range station; the intersection of the east course of the Indianapolis, Ind., radio range and the west course of the Columbus, Ohio, radio range; Columbus, Ohio, radio range station; the intersection of the east course of the Columbus, Ohio, radio range and the west course of the Pittsburgh, Pa., radio range; Pittsburgh, Pa., radio range station; the intersection of the northeast course of the Pittsburgh, Pa., radio range and the west course of the Altoona, Pa., radio range; Altoona, Pa., radio range station; Harrisburg, Pa., radio range station; the intersection of the east course of the Harrisburg, Pa., radio range and the southwest course of the Philadelphia, Pa., radio range; Philadelphia, Pa., radio range station to the Municipal Airport, Philadelphia, Pa.

2. Section 600.18 *Green civil airway No. 8 (Attu, Alaska to Northway, Alaska)* is amended by deleting that portion between the Anchorage, Alaska, radio range station and the intersection of the northeast course of the Anchorage, Alaska, radio range and the southwest course of the Gulkana, Alaska, radio range.

3. Section 600.101 is amended to read:

§ 600.101 *Amber civil airway No. 1 (United States-Mexican Border to Nome, Alaska).* From the intersection of the southeast course of the San Diego, Calif., radio range and the United States-Mexican Border via the San Diego, Calif., radio range station; the intersection of the northwest course of the San Diego, Calif., radio range and the southeast course of the Long Beach, Calif., radio range; Long Beach, Calif., radio range station; Los Angeles, Calif., radio range station; Newhall, Calif., radio range station; Bakersfield, Calif., radio range station; Fresno, Calif., radio range station; Sacramento, Calif., radio range station; Williams, Calif., radio range station; Red Bluff, Calif., radio range station; Fort Jones, Calif., radio range station; Medford, Oreg., radio range station; Eugene, Oreg., radio range station; Portland, Oreg., radio range station; Toledo, Washington, radio range station; Seattle, Wash., radio range station; Everett, Wash., radio range station; Bellingham, Wash., radio range station to the intersection of the northwest course of the Bellingham, Wash., radio range and the United States-Canadian Border. From the intersection of the southeast course of the Sitka (Blorka Island), Alaska, radio range and the U. S.-Canadian Border via the Sitka (Blorka Island), Alaska, radio range station; Yakutat, Alaska, radio range station;

the intersection of the northwest course of the Yakutat, Alaska, radio range and the southeast course of the Cordova (Hinchinbrook Island), Alaska, radio range; Cordova (Hinchinbrook Island), Alaska, radio range station; the intersection of the northwest course of the Cordova (Hinchinbrook Island), Alaska, radio range and the southeast course of the Anchorage, Alaska, radio range; Anchorage, Alaska, radio range station; Skwentna, Alaska, radio range station; the intersection of the northwest course of the Skwentna, Alaska, radio range and the southeast course of the Farewell, Alaska, radio range; Farewell, Alaska, radio range station; McGrath, Alaska, radio range station; Unalakleet, Alaska, radio range station to the Nome, Alaska, radio range station.

4. Section 600.104 is amended to read:

§ 600.104 *Amber civil airway No. 4 (Brownsville, Tex., to Minot, N. Dak.)*. From the Municipal Airport, Brownsville, Tex., via the Brownsville, Tex., radio range station; the intersection of the northwest course of the Brownsville, Tex., radio range and the south course of the Alice, Tex., radio range; Alice, Tex., radio range station; the intersection of the north course of the Alice, Tex., radio range and the south course of the San Antonio, Tex., radio range; San Antonio, Tex., radio range station; the intersection of the north course of the San Antonio, Tex., radio range and the southwest course of the Austin, Tex., radio range; Austin, Tex., radio range station; Waco, Tex., radio range station; the intersection of the northwest course of the Waco, Tex., radio range and the south course of the Fort Worth, Tex., radio range; Fort Worth, Tex., radio range station; the intersection of the north course of the Fort Worth, Tex., radio range and the south course of the Oklahoma City, Okla., radio range; Oklahoma City, Okla., radio range station; the intersection of the east course of the Oklahoma City, Okla., radio range and the southwest course of the Tulsa, Okla., radio range; Tulsa, Okla., radio range station; the intersection of the northeast course of the Tulsa, Okla., radio range and the south course of the Chanute, Kans., radio range; Chanute, Kans., radio range station to the intersection of the northeast course of the Chanute, Kans., radio range and the southwest course of the Kansas City, Mo., radio range. From the Kansas City, Mo., radio range station; via the St. Joseph, Mo., radio range station; Omaha, Nebr., radio range station; Sioux City, Iowa, radio range station; Sioux Falls, S. Dak., radio range station; Huron, S. Dak., radio range station; Aberdeen, S. Dak., radio range station; Bismarck, N. Dak., radio range station; the intersection of the north course of the Bismarck, N. Dak., radio range and the southeast course of the Minot, N. Dak., radio range to the Minot, N. Dak., radio range station.

5. Section 600.108 is amended to read:

§ 600.108 *Amber civil airway No. 8 (Los Angeles, Calif., to The Dalles, Oreg.)*. From the Los Angeles, Calif., VHF radio range station via the intersection of the west course of the Los Angeles, Calif., VHF radio range and the

southeast course of the Camarillo, Calif., radio range; Camarillo, Calif., radio range station; Santa Barbara, Calif., VHF radio range station; the intersection of the northwest course of the Santa Barbara, Calif., VHF radio range and the southeast course of the Paso Robles, Calif., VHF radio range; Paso Robles, Calif., VHF radio range station; the intersection of the northwest course of the Paso Robles, Calif., VHF radio range and the southeast course of the Salinas, Calif., VHF radio range; Salinas, Calif., VHF radio range station; the intersection of the northwest course of the Salinas, Calif., VHF radio range and the southwest course of the Fairfield-Suisun, Calif., radio range; Fairfield-Suisun, Calif., radio range station to the intersection of the northeast course of the Fairfield-Suisun, Calif., radio range and the northwest course of the Sacramento, Calif., radio range. From the Red Bluff, Calif., radio range station via the Whitmore, Calif., radio range station; the intersection of the northeast course of the Whitmore, Calif., radio range and the south course of the Klamath Falls, Oreg., radio range; Klamath Falls, Oreg., radio range station; the intersection of the north course of the Klamath Falls, Oreg., radio range and the southwest course of the Redmond, Oreg., radio range; Redmond, Oreg., radio range station to The Dalles, Oreg., radio range station.

6. Section 600.258 is amended to read:

§ 600.258 *Red civil airway No. 58 (Salinas, Calif., to Hollister, Calif.)*. From the Salinas, Calif., VHF radio range station to the intersection of the northeast course of the Salinas, Calif., VHF radio range and the northwest course of the Fresno, Calif., radio range.

7. Section 600.281 is amended to read:

§ 600.281 *Red civil airway No. 81 (Columbus, Ohio, to Elkins, W. Va.)*. From the Columbus, Ohio, radio range station via the Parkersburg, W. Va., VHF radio range station to the intersection of the southeast course of the Parkersburg, W. Va., VHF radio range and the west course of the Elkins, W. Va., radio range.

8. Section 600.285 is amended to read:

§ 600.285 *Red civil airway No. 85 (Dayton, Ohio, to Martinsburg, Pa.)*. From the intersection of the west course of the Wright-Patterson AFB radio range, Fairfield, Ohio, and the northwest course of the Cincinnati, Ohio, radio range to the intersection of the west course of the Wright-Patterson AFB radio range, Fairfield, Ohio, and the south course of the Dayton, Ohio, radio range. From the Dayton, Ohio, radio range station to the Mansfield, Ohio, nondirectional radio beacon. From the Akron, Ohio, radio range station via the Butler, Pa., nondirectional radio beacon to the Altoona, Pa., radio range station.

9. Section 600.288 is amended to read:

§ 600.288 *Red civil airway No. 88 (Albuquerque, N. Mex., to Hobbs, N. Mex.)*. From the Albuquerque, N. Mex., radio range station via the Roswell, N. Mex., radio range station; the intersection of the southeast course of the Roswell, N. Mex., radio range and the west

course of the Hobbs, N. Mex., radio range; Hobbs, N. Mex., radio range station to the intersection of the east course of the Hobbs, N. Mex., radio range and the south course of the Lubbock, Tex., radio range.

10. Section 600.289 is added to read:

§ 600.289 *Red civil airway No. 89 (St. Joseph, Mo., to Peoria, Ill.)*. From the St. Joseph, Mo., radio range station to the intersection of the east course of the St. Joseph, Mo., radio range and the northeast course of the Kansas City, Mo., radio range. From the Kirksville, Mo., radio range station via the Quincy, Ill., non-directional radio beacon to the Peoria, Ill., radio range station.

11. Section 600.290 is added to read:

§ 600.290 *Red civil airway No. 90 (Oxnard, Calif., to Burbank, Calif.)*. From the Camarillo, Calif., radio range station to the Burbank, Calif., radio range station.

12. Section 600.291 is added to read:

§ 600.291 *Red civil airway No. 91 (Salt Flat, Tex., to Hobbs, N. Mex.)*. From the Salt Flat, Tex., radio range station via the Carlsbad, N. Mex., radio range station to the Hobbs, N. Mex., radio range station.

13. Section 600.292 is added to read:

§ 600.292 *Red civil airway No. 92 (New York, N. Y., to Boston, Mass.)*. From the intersection of the southeast course of the Newark, N. J., radio range and the southwest course of the Islip, N. Y., VHF radio range via the Islip, N. Y., VHF radio range station; the intersection of the northeast course of the Islip, N. Y., VHF radio range and the southwest course of the Moosup, Conn., VHF radio range; Moosup, Conn., VHF radio range station; the intersection of the northeast course of the Moosup, Conn., VHF radio range and the localizer approach course (35° magnetic) of the Boston, Mass., ILS to the Logan International Airport, Boston, Mass.

14. Section 600.605 is amended to read:

§ 600.605 *Blue civil airway No. 5 (Galveston, Tex., to Salina, Kans.)*. From the Municipal Airport, Galveston, Tex., via the Galveston, Tex., radio range station; Houston, Tex., radio range station; the intersection of the northwest course of the Houston, Tex., radio range and the southeast course of the Bryan, Tex., radio range; Bryan, Tex., radio range station; Waco, Tex., radio range station; the intersection of the northeast course of the Waco, Tex., radio range and the south course of the Dallas, Tex., radio range; Dallas, Tex., radio range station to the intersection of the northwest course of the Dallas, Tex., radio range and the north course of the Fort Worth, Tex., radio range. From the Oklahoma City, Okla., radio range station via the intersection of the north course of the Oklahoma City, Okla., radio range and the southeast course of the Wichita, Kans., radio range; Wichita, Kans., radio range station to the intersection of the north course of the Wichita, Kans., radio range and the east course of the Hutch-

Inson, Kans., radio range. From the intersection of the east course of the Hutchinson, Kans., radio range and the south course of the Salina, Kans., VHF radio range to the Salina, Kans., VHF radio range station.

15. Section 600.635 *Blue civil airway No. 35 (Topeka, Kans., to Kirksville, Mo.)* is revoked.

16. Section 600.635 is added to read:

§ 600.635 *Blue civil airway No. 35 (Ornard, Calif., to Bakersfield, Calif.)*. From the Camarillo, Calif., radio range station to the intersection of the northeast course of the Camarillo, Calif., radio range and the southeast course of the Bakersfield, Calif., radio range.

17. Section 600.664 *Blue civil airway No. 64 (Lebo, Kans., to Topeka, Kans.)* is revoked.

18. Section 600.664 is added to read:

§ 600.664 *Blue civil airway No. 64 (Wink, Tex., to Hobbs, N. Mex.)*. From the Wink, Tex., radio range station to the Hobbs, N. Mex., radio range station.

19. Section 600.668 is added to read:

§ 600.668 *Blue civil airway No. 68 (Midland, Tex., to Hobbs, N. Mex.)*. From Midland, Tex., radio range station to the intersection of the northwest course of the Midland, Tex., radio range and the east course of the Hobbs, N. Mex., radio range.

(Sec. 205, 52 Stat. 984, as amended; 49 U. S. C. 425. Interprets or applies secs. 301, 302, 307, 52 Stat. 985, 986, as amended; 49 U. S. C. 451, 452, 457)

This amendment shall become effective 0001 e. s. t., June 1, 1950.

[SEAL] DONALD W. NYROP,
Acting Administrator of
Civil Aeronautics.

[F. R. Doc. 50-4635; Filed, May 29, 1950;
8:50 a. m.]

[Amdt. 32]

PART 601—DESIGNATION OF CONTROL AREAS, CONTROL ZONES, AND REPORTING POINTS

MISCELLANEOUS AMENDMENTS

The control area, control zone and reporting point alterations appearing hereinafter have been coordinated with the civil operators involved, the Army, the Navy, and the Air Force, through the Air Coordinating Committee, Airspace Subcommittee, and are adopted when indicated in order to promote safety of the flying public. Compliance with the notice, procedures, and effective date provisions of section 4 of the Administrative Procedure Act would be impracticable and contrary to public interest, and therefore is not required. Part 601 is amended as follows:

1. Section 601.18 is amended to read:

§ 601.18 *Green civil airway No. 8 control areas (Attu, Alaska, to Northway, Alaska)*. From a line extended at right angles across such airway through a point 25 miles southwest of Port Heiden, Alaska, radio range station to the Anchorage, Alaska, radio range station.

From a line extended at right angles across such airway through a point 50 miles southwest of the Northway, Alaska, radio range station to the Northway, Alaska, radio range station.

2. Section 601.281 is amended by changing caption to read: "*Red civil airway No. 81 control areas (Columbus, Ohio, to Elkins, W. Va.)*."

3. Section 601.288 is amended by changing caption to read: "*Red civil airway No. 88 control areas (Albuquerque, N. Mex., to Hobbs, N. Mex.)*."

4. Section 601.289 is added to read:

§ 601.289 *Red civil airway No. 89 control areas (St. Joseph, Mo., to Peoria, Ill.)*. All of Red civil airway No. 89.

5. Section 601.290 is added to read:

§ 601.290 *Red civil airway No. 90 control areas (Ornard, Calif., to Burbank, Calif.)*. All of Red civil airway No. 90.

6. Section 601.291 is added to read:

§ 601.291 *Red civil airway No. 91 control areas (Salt Flat, Tex., to Hobbs, N. Mex.)*. All of Red civil airway No. 91.

7. Section 601.292 is added to read:

§ 601.292 *Red civil airway No. 92 control areas (New York, N. Y., to Boston, Mass.)*. All of Red civil airway No. 92.

8. Section 601.635 *Blue civil airway No. 35 control areas (Topeka, Kans., to Kirksville, Mo.)* is revoked.

9. Section 601.635 is added to read:

§ 601.635 *Blue civil airway No. 35 control area (Ornard, Calif., to Bakersfield, Calif.)*. All of Blue civil airway No. 35.

10. Section 601.664 *Blue civil airway No. 64 control areas (Lebo, Kans., to Topeka, Kans.)* is revoked.

11. Section 601.664 is added to read:

§ 601.664 *Blue civil airway No. 64 control areas (Wink, Tex., to Hobbs, N. Mex.)*. All of Blue civil airway No. 64.

12. Section 601.668 is added to read:

§ 601.668 *Blue civil airway No. 68 control areas (Midland, Tex., to Hobbs, N. Mex.)*. All of Blue civil airway No. 68.

13. Section 601.1052 is added to read:

§ 601.1052 *Control area extension (Atlanta, Ga.)*. All that area 5 miles either side of the north and south courses of the Atlanta, Ga., VHF radio range bounded on the north by the southeast boundary of Green civil airway No. 6 and on the south by the northeast boundary of Amber civil airway No. 6.

14. Section 601.1065 is added to read:

§ 601.1065 *Control area extension (Biloxi, Miss.)*. From the Keesler AFB radio range station, Biloxi, Miss., extending 5 miles either side of the northeast course of the Keesler AFB radio range to a point 20 miles northeast of the radio range station.

15. Section 601.1072 *Control area extension (Newhall, Calif.)* is revoked.

16. Section 601.1072 is added to read:

§ 601.1072 *Control area extension (Sumter, S. C.)*. From the Shaw AFB radio range station, Sumter, S. C., extending 5 miles either side of the southwest course of the Shaw AFB radio range

between the southern boundary of Red civil airway No. 16 and the northeast boundary of Blue civil airway No. 28.

17. Section 601.1075 *Control area extension (Long Beach, Calif.)* is revoked.

18. Section 601.1110 *Control area extension (Fort Riley, Kans., Marshall AFB)* is revoked.

19. Section 601.1110 is added to read:

§ 601.1110 *Control area extension (Hobbs, N. Mex.)*. From the Hobbs, N. Mex., radio range station extending 5 miles either side of the north course of the radio range to a point 10 miles north of the radio range station.

20. Section 601.1111 is amended to read:

§ 601.1111 *Control area extension (San Diego, Calif.)*. From the San Diego, Calif., radio range station extending 5 miles either side of the southwest course of the San Diego, Calif., radio range to a point 25 miles southwest of the radio range station.

21. Section 601.1122 is added to read:

§ 601.1122 *Control area extension (Tri-City, Tenn.)*. From the Tri-City, Tenn., ILS localizer extending 5 miles either side of the ILS localizer course to a point 30 miles east of the localizer.

22. Section 601.1133 is amended to read:

§ 601.1133 *Control area extension (Idlewild, N. Y.)*. From the eastern edge of Green civil airway No. 5 at Lat. 40°33'30", Long. 73°31'30" thence southeast to Lat. 40°32'10", Long. 73°26'50", thence southwest to Lat. 40°17'00", Long. 73°38'55", thence northwest to Lat. 40°18'45", Long. 73°41'45" (point of intersection with the eastern edge of Green civil airway No. 5), thence northeast following the eastern boundary of Green civil airway No. 5 to point of beginning.

23. Section 601.1166 is amended to read:

§ 601.1166 *Control area extension (Mobile, Ala.)*. From the Mobile, Ala., radio range station extending 5 miles either side of the northwest course of the Mobile radio range to a point 20 miles northwest of the radio range station, and extending 5 miles on the southwest side and 2 miles on the northeast side of the southeast course of the Mobile radio range to a point 10 miles southeast of the intersection of the southeast course of the Mobile radio range and the west course of the Pensacola, Fla., radio range, excluding the portion below 2,000 feet and above 20,500 feet which lies outside the continental limits of the United States.

24. Section 601.1173 is added to read:

§ 601.1173 *Control area extension (San Francisco, Calif.) (North dogleg route)*. From the San Francisco, Calif., radio range station extending 5 miles either side of a line from the San Francisco, Calif., radio range station via the intersection of the southwest course of the Fairfield-Suisun, Calif., radio range and the northwest course of the San

Francisco, Calif., radio range to the Farallon Island non-directional radio beacon, thence 5 miles either side of a rhumb line bearing 259° true from the Farallon Island non-directional radio beacon to its intersection with the Eastern Boundary of the Oakland Flight Information Region at Lat. 37°23'00", Long. 125°05'00".

25. Section 601.1174 is added to read:

§ 601.1174 *Control area extension (San Francisco, Calif.) (Rhumb line route)*. From the San Francisco, Calif., radio range station extending 5 miles either side of a rhumb line bearing 242° True from the San Francisco, Calif., radio range station to its intersection with the Eastern Boundary of the Oakland Flight Information Region at Lat. 36°39'00", Long. 124°04'30".

26. Section 601.1175 is added to read:

§ 601.1175 *Control area extension (San Francisco, Calif.) (San Francisco-Honolulu south dogleg route)*. From the San Francisco, Calif., radio range station extending 5 miles either side of a rhumb line bearing 232° True from the San Francisco, Calif., radio range station to its intersection with the Eastern Boundary of the Oakland Flight Information Region at Lat. 36°19'30", Long. 124°21'30".

27. Section 601.1176 is added to read:

§ 601.1176 *Control area extension (Santa Barbara, Calif.) (Santa Barbara-Honolulu rhumb line route)*. From the Santa Barbara, Calif., radio range station extending 5 miles either side of a rhumb line bearing 244° True from the Santa Barbara, Calif., radio range station to its intersection with the Eastern Boundary of the Oakland Flight Information Region at Lat. 33°24'00", Long. 122°26'00".

28. Section 601.1177 is added to read:

§ 601.1177 *Control area extension (Long Beach, Calif.) (Long Beach-Honolulu route)*. From the Long Beach, Calif., radio range station extending 5 miles either side of the southwest course of the Long Beach, Calif., radio range to its intersection at Lat. 31°56'30", Long. 120°04'00" with a rhumb line bearing 251° True from the San Diego, Calif., radio range station thence 5 miles either side of that rhumb line to its intersection with the Eastern Boundary of the Oakland Flight Information Region at Lat. 31°35'00", Long. 121°19'30".

29. Section 601.1983 is amended by deleting the following airport: "Custer, Mont.: Custer Intermediate Field."

30. Section 601.2040 *Advance, Mo., control zone* is revoked.

31. Section 601.2040 is added to read:

§ 601.2040 *Smyrna, Tenn., control zone*. Within a 5 mile radius of the Sewart AFB, Smyrna, Tenn., extending 2 miles either side of the southeast course of the Sewart AFB radio range to a point 10 miles southeast of the radio range station.

32. Section 601.2052 *Hayes Center, Nebr., control zone* is revoked.

33. Section 601.2052 is added to read:

§ 601.2052 *Quincy, Ill., control zone*. Within a 5 mile radius of the Municipal Airport extending 2 miles on the northwest side and 5 miles on the southeast side of a 215° magnetic track extending from the NE/SW runway to a point 10 miles southwest of the Quincy VOR radio range station.

34. Section 601.2064 is amended to read:

§ 601.2064 *Omaha, Nebr., control zone*. Within a 5 mile radius of the Omaha, Nebr., Municipal Airport extending 2 miles either side of the north course of the Omaha radio range to the California, Iowa, Fan Marker, and extending 2 miles either side of the ILS localizer course to a point 10 miles northwest of the Omaha Municipal Airport.

35. Section 601.2073 *Sinclair, Wyo., control zone* is revoked.

36. Section 601.2073 is added to read:

§ 601.2073 *Rawlins, Wyo., control zone*. Within a 5 mile radius of the Municipal Airport, Rawlins, Wyo., extending 2 miles either side of the east and west courses of the Sinclair, Wyo., radio range to a point 10 miles east of the radio range station.

37. Section 601.2159 is amended to read:

§ 601.2159 *Montgomery, Ala., control zone*. Within a 5 mile radius of Maxwell AFB, Montgomery, Ala., extending 2 miles either side of the west course of the Maxwell AFB radio range to a point 10 miles west of the radio range station, and extending 2 miles either side of the north course of the Maxwell AFB radio range to a point 10 miles north of the radio range station.

38. Section 601.2212 *Topeka, Kans., Forbes AFB control zone* is revoked.

39. Section 601.2212 is added to read:

§ 601.2212 *Sumter, S. C., control zone*. Within a 5 mile radius of Shaw AFB, Sumter, S. C., extending 2 miles either side of the southwest course of the Shaw AFB radio range to a point 10 miles southwest of the radio range station.

40. Section 601.2213 *Fort Riley, Kans., Marshall AFB control zone* is revoked.

41. Section 601.2213 is added to read:

§ 601.2213 *Salina, Kans., control zone*. Within a 5 mile radius of the Salina, Kans., Municipal Airport extending 2 miles either side of the north course of the Salina VHF radio range to a point 10 miles north of the radio range station.

42. Section 601.2227 is amended to read:

§ 601.2227 *Salina, Kans., control zone*. Within a 5 mile radius of the Smoky Hill Air Force Base excluding that portion which overlaps the Salina, Kans., Municipal Airport control zone.

43. Section 601.2243 is amended to read:

§ 601.2243 *Hempstead, N. Y., control zone*. Within a 5 mile radius of Mitchel Air Force Base extending 2 miles either

side of the southeast course of the Mitchel AFB radio range to the Babylon fan marker.

44. Section 601.4014 *Green civil airway No. 4 (Los Angeles, Calif., to Philadelphia, Pa.)* is amended by deleting "Los Angeles, Calif., radio range station" and by adding the following reporting point: "The intersection of the southwest course of the Newhall, Calif., radio range and the northwest course of the Burbank, Calif., radio range;"

45. Section 601.4015 *Green civil airway No. 5 (Los Angeles, Calif., to Boston, Mass.)*, is amended by adding the following reporting point: "the intersection of the southwest course of the Memphis, Tenn., radio range and the southeast course of the Little Rock, Ark., radio range;"

46. Section 601.4018 *Green Civil airway No. 8 (Attu, Alaska to Northway, Alaska)* is amended by deleting "the intersection of the northeast course of the Anchorage, Alaska, radio range and the southeast course of the Skwentna, Alaska, radio range;" and substituting the following reporting point in lieu thereof: "the intersection of the northeast course of the Anchorage, Alaska, radio range and the southwest course of the Gulkana, Alaska, radio range;"

47. Section 601.4101 *Amber civil airway No. 1 (United States-Mexican Border to Nome, Alaska)* is amended by adding the following reporting point: "Los Angeles, Calif., radio range station;"

48. Section 601.4107 *Amber civil airway No. 7 (Key West, Fla., to Caribou, Maine)* is amended by adding the following reporting point: "Lumberton, N. C., non-directional radio beacon;"

49. Section 601.4201 *Red civil airway No. 1 (Portland, Oreg., to Kansas City, Mo.)* is amended by deleting the following reporting point: "Fort Riley, Kans. (Marshall AFB) radio range station;"

50. Section 601.4281 is amended by changing caption to read: "Red civil airway No. 81 (Columbus, Ohio to Elkins, W. Va.)."

51. Section 601.4288 is amended by changing caption to read: "Red civil airway No. 88 (Albuquerque, N. Mex., to Hobbs, N. Mex.)."

52. Section 601.4289 is added to read:

§ 601.4289 *Red civil airway No. 89 (St. Joseph, Mo., to Peoria, Ill.)*. No reporting point designation.

53. Section 601.4290 is added to read:

§ 601.4290 *Red civil airway No. 90 (Oxnard, Calif., to Burbank, Calif.)*. No reporting point designation.

54. Section 601.4291 is added to read:

§ 601.4291 *Red civil airway No. 91 (Salt Flat, Tex., to Hobbs, N. Mex.)*. No reporting point designation.

55. Section 601.4292 is added to read:

§ 601.4292 *Red civil airway No. 92 (New York, N. Y., to Boston, Mass.)*. No reporting point designation.

56. Section 601.4635 *Blue civil airway No. 35 (Topeka, Kans., to Kirksville, Mo.)* is revoked.

(Sec. 205, 52 Stat. 984, as amended; 49 U. S. C. 425. Interprets or applies secs. 301, 302, 307, 52 Stat. 985, 986, as amended; 49 U. S. C. 451, 452, 457)

This amendment shall become effective 0001 e. s. t., June 1, 1950.

[SEAL] DONALD W. NYROP,
Acting Administrator
of Civil Aeronautics.

[P. R. Doc. 50-4650; Filed, May 29, 1950;
8:50 a. m.]

TITLE 15—COMMERCE AND FOREIGN TRADE

Chapter III—Bureau of Foreign and Domestic Commerce, Department of Commerce

Subchapter C—Office of International Trade
[5th Gen. Rev. of Export Regs., Amtd.
P. L. 4]

PART 399—POSITIVE LIST OF COMMODITIES AND RELATED MATTERS

MISCELLANEOUS AMENDMENTS

Section 399.1 Appendix A—Positive
List of Commodities is amended in the
following particulars:

1. The following commodities are de-
leted from the Positive List:

57. Section 601.4635 is added to read:
§ 601.4635 Blue civil airway No. 35
(Ornard, Calif., to Bakersfield, Calif.).
No reporting point designation.

58. Section 601.4647 is amended to
read:

§ 601.4647 Blue civil airway No. 47
(Front Royal, Va., to Phillipsburg, Pa.).
The intersection of the south course of
the Altoona, Pa., radio range and the
southeast course of the Pittsburgh, Pa.,
radio range.

59. Section 601.4664 Blue civil airway
No. 64 (Lebo, Kans., to Topeka, Kans.)
is revoked.

60. Section 601.4664 is added to read:
§ 601.4664 Blue civil airway No. 64
(Wink, Tex., to Hobbs, N. Mex.). No re-
porting point designation.

61. Section 601.4668 is added to read:
§ 601.4668 Blue civil airway No. 68
(Midland, Tex., to Hobbs, N. Mex.). No
reporting point designation.

62. Section 601.5001 "Other reporting
points" is amended by deleting the fol-
lowing reporting point: "Simi intersec-
tion: The intersection of the southwest
course of the Newhall, Calif., radio range
and the northwest course of the Bur-
bank, Calif., radio range."

Dept. of Comm. Sched. B No.	Commodity
320513	Vegetable fibers and manufactures: Vegetable fibers, unmanufactured: Hemp.
373800	Silk and manufactures: Silk noils and waste.
384005	Synthetic fibers and manufactures: Nylon yarn, monofilament and bands.
384098	Orlon yarn, monofilament and bands.
500200	Coal and related fuels: Coal, bituminous.
500400	Coke, except coal-tar coke. [*]
689700	Precious metals and plated ware, except jewelry, precious metals for dentistry, gold and silver ore, bullion and coin: Gold manufactures, n. e. s. (gold-plated included).
837990	Industrial chemicals (exclusive of medicinal chemicals, U. S. P. & N. F.): Sodium compounds: Sodium nitrate. Ammonium compounds, except fertilizers: Ammonium compounds, n. e. s.: Ammonium sulfate. Urea.
838500	Gases, compressed, liquefied, and solidified, except liquefied petroleum gases: Ammonia, anhydrous.
839000	Coal-tar coke, Schedule B No. 500400, remains on the Positive List.

^{*} Coal-tar coke, Schedule B No. 500400, remains on the Positive List.

Dept. of
Comm.
Sched.
B No.

Fertilizer and fertilizer materials:
Nitrogenous fertilizer materials:
Nitrogenous chemical materials:

850600 Ammonium sulfate.
850700 Sodium nitrate, n. e. s.
850900 Nitrogenous chemical materials, n. e. s., except those containing ammonium
nitrate.^{*}

851000 Nitrogenous organic waste materials.
Nitrogenous phosphatic types:
Ammonium phosphates.

854100 Other nitrogenous phosphatic types.
854900 Prepared fertilizer mixtures manufactured principally for use in the production
of general agricultural crops (such as 4-12-4, 5-10-5), not including premium-
type plant foods such as Vigoro, Clippes Plant Food, Nitrophoska, and other

855100 Prepared fertilizer mixtures used primarily for truck crops, gardens, and lawns.^{*}

Photographic and projection goods:
Other sensitized films, unexposed (report motion picture film in 911710-911760):

912500 Cartridge or rolls.
912610 Dental X-ray film.
912690 Other.

922000 Miscellaneous commodities, n. e. s.:
Jewelry and other personal ornaments of solid gold.

* Nitrogenous chemical materials, n. e. s., containing ammonium nitrate, Schedule B No.
850900, remain on the Positive List.

* All commodities classified under Schedule B No. 855100 may now be exported under gen-
eral license GRO to all destinations in Country Groups O and R.

2. The following commodities are added to the Positive List:

Dept. of Comm. Sched. B No.	Commodity	Unit	Processing code and related commod- ity group	OLV dollar value limits	Val- dated license required
284952	Synthetic fibers and manufactures: Nylon parachute cloth.	Lb.	TEXT 18	100	R
284953	Nylon parachute cloth.	Sq. yd.	TEXT 18	100	R
285006	Glass tubing for acid-resisting tanks, vats, kettles, piping, and fixtures.		CDGS	25	RO
703220	Electrical machinery and apparatus: Parts for electric indicating instruments, other than labora- tory standards, except battery testing voltmeters, battery testers, and cell testers.	No.	ELME 2	None	RO
701236	Food and beverage processing machinery, and parts: Cannery machinery and parts: Autoclaves and digesters for operation at pressures over 100 pounds per square inch.		GIEQ	100	RO
701236	High-pressure processing equipment and pressure ves- sels operating at pressures over 500 pounds per square inch.		GIEQ	100	RO
701600	Vegetable-oil mill machinery, and parts: Parts for solvent-recovery machinery.		GIEQ	None	R
703306	Parts and sub-assemblies for operation at pressures over 100 pounds per square inch.		GIEQ	100	RO
703306	High-pressure processing equipment and pressure vessels operating at pressures over 500 pounds per square inch.		GIEQ	None	RO
774908	Parts for gauges for measuring pressures in excess of 100 atmospheres (gauge pressures of 1470 pounds per square inch or 100 kilograms per square centimeter).		GIEQ	None	RO
774908	Parts for vacuum gauges, ionization types, for industrial use.		GIEQ	None	RO
774908	Parts for other industrial indicating, recording, or controlling instruments for pressure, flow, temperature, humidity, or gas analysis.		GIEQ	None	R
775027	Parts for crushers and grinders for cement- and lime-making machinery installations.		GIEQ	None	R

4. The following entries on the Positive List (except Schedule B No. 704530) are amended by changing the commodity descriptions thereof. Certain additions to and deletions from the Positive List are effected by these changes as indicated in the related footnotes set forth below.¹ In the case of Schedule B No. 704530, the entry is amended by changing the processing code and the GLV dollar value limits.

Item	Dept. of Commerce Schedule B No.	Commodity	Unit	Processing code and related commodity group	GLN dollar value limits	Vald. dated license required
1	504100	Lubricating greases, except graphite lubricants, containing synthetic oil, or for very high or very low performance (temperature and/or pressure).	Lb.	PETR	25	EO
2	504100	Lubricating greases, except graphite lubricants, containing synthetic oil, or lithium soap, or for very high or very low performance (temperature and/or pressure) (report graphite lubricants containing synthetic oil or lithium soap or for very high or very low performance (temperature and/or pressure) in 540683.)	Lb.	PETR	25	EO
3	505600	High-temperature refractory cements or bonding mortars, except of silica, or of fireclay composition of less than 30% Al_2O_3 .	Lb.	BLDG 31	100	R
4	505600	High-temperature refractory cements or bonding mortars except of chrome; manganic silica; or of fireclay composition of less than 30% Al_2O_3 .	Lb.	BLDG 31	100	R
5	505850	Plastic refractories (including plastic firebrick and ramming mixtures), except of silica; or of fireclay composition of less than 30% Al_2O_3 .	Lb.	BLDG 31	100	R
6	505850	Plastic refractories (including plastic firebrick and ramming mixtures), except of chrome; manganic silica; or of fireclay composition of less than 30% Al_2O_3 .	Lb.	BLDG 31	100	R
7	505850	Refractories, n. e. s. (specify by name) except of silica; or of fireclay composition of less than 30% Al_2O_3 .	Lb.	BLDG 31	100	R
8	505850	Refractories, n. e. s. (specify by name) except of chrome; manganic silica; or of fireclay composition of less than 30% Al_2O_3 .	Lb.	BLDG 31	100	R
9	505900	Tungsten carbide, except tool blanks, tips, and inserts (report tungsten carbide metal-cutting tools for machine operation in 744381).	Lb.	NONF	None	RO
10	505900	Other tungsten metal, stellite, wire, shapes, and alloys.	Lb.	NONF	100	R
11	505900	Tungsten carbide, except tool blanks, tips, and inserts (report tungsten carbide metal-cutting tools for machine operation in 744381).	Lb.	NONF TOOL	None	RO
12	505900	Other tungsten metal, stellite, wire, shapes, and alloys.	Lb.	NONF	100	R
13	702810	Selenium battery chargers.	No.	ELME 1	None	R
14	702810	Selenium battery chargers and other selenium rectifiers, except automotive shop types of 12-volt capacity or less.	No.	ELME 1	None	R
15	704520	Electric railway traction equipment, and parts (include railway motors).		ELME 1	100	R
16	704520	Electric railway traction equipment, and parts (include railway motors).		TRAN 2	500	R

represents a loss of the most valuable asset of the Association without making substantial changes.

* This amendment clarifies the commonly described throat making substitutive change. The effect of this amendment as to items 2, 3 and 4 above is to delete from the Positive List high-temperature refractory cements or bonding materials of chrome or manganite, Schedule B No. 35880, and plastic refractories and refractory cements or bonding materials of chrome or manganite, Schedule B No. 35880, and plastic refractories and refractory cements or bonding materials of chrome or manganite, Schedule B No. 35880, and plastic refractories and refractory cements or bonding materials of chrome or manganite, Schedule B No. 35880.

The effect of this amendment is to add to the Positive List selenium rectifiers (other than battery chargers), including automotive shop types over 12-volt capacity, and to delete automotive shop types of selenium battery chargers leading automotive shop types over 12-volt capacity or less.

: The first entry or group of entries in each of the above-numbered items is the entry or group of entries as it has been previously published and the second entry or group of entries in the numbered item represents the change made by this amendment.

Dept. of Commerce Schedule B No.	Commodity	Unit	Processing code and related commodity group	GLY dollar value limits	Valdollar license required
	Other industrial machinery—Continued				
773000	Glue-tying lathe.....		GIEQ	100	R
773000	Chemical plant recovery machinery, and parts: Parts for solvent-recovery machinery		GIEQ 1	None	R
773070	Clay-working machinery, and parts: Parts for crushers and grinders for clay-working machinery		GIEQ	None	R
773080	Industrial machinery, and parts, n. e. s.: Parts for crushers and grinders Industrial chemicals (exclusive of medicinal (chemicals, U. S. P. and N. F.)) Zirconium iodide Other industrial chemicals	Lb	GIEQ	None	R
834900	Rare earth compounds, n. e. s.		SALT 64	None	EO
835000	Semiconductive and professional instruments, apparatus, and supplies, n. e. s.: Autoclaves and digesters for operation at pressures over 100 pounds per square inch. Scientific instruments and laboratory apparatus, and parts, n. e. s., including laboratory-grade instruments and devices and standards of greater than 1/4 of 1% accuracy of full-scale deflection or value (report similar items having industrial, rather than laboratory application in 703920, 703930, 703930 or 776988): High-pressure processing equipment and pressure vessels operating at pressures over 500 pounds per square inch. Impulse registers or counters (over 20 counts per second), and parts		SALT 64	None	EO
919008	Leak-detecting instruments, and parts		SATE	100	EO
919008	Precision multimeters, ammeters, ohmmeters, microammeters and voltmeters, and parts, except battery testing voltmeters, battery testers, and cell testers		SATE	None	EO
919008	Reflection-type, ultrasonic or superonic, and parts		SATE	30	EO
919008	Parts for electrometers, except student types		SATE	None	EO
919008	Parts for electronic balances		SATE	None	EO
919008	Parts for laboratory furnaces		SATE	None	EO
919008	Parts for micro balances, 1/10,000th milligram or under		SATE	None	EO
919008	Parts for photophotometers		SATE	None	EO
919008	Parts for precision resistance, impedance, capacitance, or inductance bridges and combinations of such, laboratory standards		SATE	None	EO
919008	Parts for spectrophotometers		SATE	None	EO
919008	Parts for vacuum measuring gauges, for laboratory use		SATE	None	EO
919008	Other indicating, recording, or controlling instruments for pressure, flow, temperature, or gas analysis and parts		SATE	100	R

3. Parts and accessories for self-propelled road rollers, steel-tired types, Schedule B B No. 722890 are changed from RO to R commodities. Accordingly, the two entries in the Positive List for this Schedule B number are amended to read as follows:

[illegible]

Shipments of any commodities removed from general license to Country Group R or O destinations as a result of changes set forth in Part 2 of this amendment, or shipments of selenium rectifiers (other than battery chargers) including automotive shop types over 12-volt capacity, Schedule B No. 702810, removed from general license to Country Group R destinations as a result of changes set forth in Part 4 of this amendment, which were on dock, on lighter, laden aboard an exporting carrier, or in transit to a port of exit pursuant to an actual order for export prior to the effective date of this amendment may be exported under the previous general license provisions.

(63 Stat. 7; E. O. 9630, Sept. 27, 1945, 10 F. R. 12245; 3 CFR, 1945 Supp.; E. O. 9919, Jan. 3, 1948, 13 F. R. 59, 3 CFR, 1948 Supp.)

This amendment shall become effective as of May 19, 1950.

LORING K. MACY,
Deputy Director,
Office of International Trade.

[F. R. Doc. 50-4618; Filed, May 29, 1950;
8:48 a. m.]

TITLE 21—FOOD AND DRUGS

Chapter I—Food and Drug Administration, Federal Security Agency

PART 141—TESTS AND METHODS OF ASSAY FOR ANTIBIOTIC AND ANTIBIOTIC-CONTAINING DRUGS

PART 146—CERTIFICATION OF BATCHES OF ANTIBIOTIC AND ANTIBIOTIC-CONTAINING DRUGS

MISCELLANEOUS AMENDMENTS

By virtue of the authority vested in the Federal Security Administrator by the provisions of section 507 of the Federal Food, Drug, and Cosmetic Act (52 Stat. 1040, 1055, as amended by 59 Stat. 463, 61 Stat. 11, 63 Stat. 409; 21 U. S. C. 357) the regulations for tests and methods of assay for antibiotic and antibiotic-containing drugs (21 CFR 141.1 et seq.) and certification of batches of antibiotic and antibiotic-containing drugs (21 CFR 146.1 et seq.; 14 F. R. 5343) are amended as indicated below:

1. In § 141.101 *Streptomycin sulfate*, paragraph (c) *Working standard*, the second sentence is amended by changing the figure "800" to "780."

2. In § 146.47 *Procaine penicillin for aqueous injection*, subparagraph (3) (ii) of paragraph (d) *Requests for certification; samples* is amended by changing the figure "300" to "500."

3a. Section 146.50 *Procaine penicillin and buffered crystalline penicillin for aqueous injection* is amended by renumbering paragraphs (b), (c), and (d) as (c), (d), and (e), respectively, and by inserting a new paragraph (b).

(b) If it is packaged as a single dose and its immediate container has two

compartments separated by a tight rubber seal, one compartment shall contain an aqueous suspension of procaine penicillin which conforms to all requirements and procedures prescribed by § 146.47 and one compartment shall contain the dry buffered crystalline penicillin.

b. The paragraph renumbered (c) in § 146.50 is amended by changing the period at the end thereof to a comma and adding the following after the quotation mark: "unless it is packaged to conform with paragraph (b) of this section."

c. In the paragraph renumbered (d) in § 146.50 the second sentence is amended by changing the figure "60" to "250."

This order, which provides for assigning a potency of 780 micrograms per milligram to the working standard for streptomycin; for increasing the weight of the samples required of the procaine penicillin used in compounding procaine penicillin for aqueous injection and the weight of the samples required of the buffered crystalline penicillin used in compounding procaine penicillin and buffered crystalline penicillin for aqueous injection; and for revising the packaging requirements for procaine penicillin and buffered crystalline penicillin for aqueous injection when the immediate container contains a single dose, shall become effective upon publication in the Federal Register, since both the public and the affected industries will be benefited by the earliest effective date, and I so find.

Notice and public procedure are not necessary prerequisites to the promulgation of this order and would be contrary to public interest, and I so find, since those parts of this order providing for assigning a potency of 780 micrograms per milligram to the working standard for streptomycin and for revising the packaging requirements for procaine penicillin and buffered crystalline penicillin for aqueous injection, when the immediate container contains a single dose, were drawn in collaboration with interested members of the affected industries and since it would be against public interest to delay assigning a potency of 780 micrograms per milligram to the working standard for streptomycin and to delay revising the packaging requirements for procaine penicillin and buffered crystalline penicillin for aqueous injection when the immediate container contains a single dose and since the change effected by the remaining parts of this order are minor in nature.

(Sec. 701, 52 Stat. 1055; 21 U. S. C. 371. Interprets or applies sec. 507, 59 Stat. 463, as amended; 21 U. S. C. and Sup., 357)

Dated: May 24, 1950.

[SEAL] JOHN L. THURSTON,
Acting Administrator.

[F. R. Doc. 50-4617; Filed, Mar. 29, 1950;
8:48 a. m.]

TITLE 24—HOUSING AND HOUSING CREDIT

Chapter VIII—Office of Housing Expediter

[Controlled Housing Rent Reg., Amdt. 251]
[Controlled Rooms in Rooming Houses and Other Establishments Rent Reg., Amdt. 248]

PART 825—RENT REGULATIONS UNDER THE HOUSING AND RENT ACT OF 1947, AS AMENDED

MARYLAND, OHIO, AND WASHINGTON

A. The Rent Regulation for Controlled Rooms in Rooming Houses and Other Establishments (§§ 825.81 to 825.92) is amended in the following respect:

Schedule A, Item 140, is amended to read as follows:

(140) [Revoked and decontrolled.]

This decontrols from §§ 825.81 to 825.92 the entire Hagerstown, Maryland, Defense-Rental Area, on the Housing Expediter's own initiative in accordance with section 204 (c) of the Housing and Rent Act of 1947, as amended.

B. The Controlled Housing Rent Regulation (§§ 825.1 to 825.12) and the Rent Regulation for Controlled Rooms in Rooming Houses and Other Establishments (§§ 825.81 to 825.92) are amended in the following respects:

1. Schedule A, Item 228, is amended to describe the counties in the Defense-Rental Area as follows:

Cuyahoga County, except the Cities of Bedford, Berea and University Heights and the Villages of Bay, Bentleyville, Brecksville, Chagrin Falls, Gates Mills, Highland Heights, Hunting Valley, Independence, Lyndhurst, Moreland Hills, North Olmsted, North Royalton, Orange, Pepper Pike, Valley View, and West View; and in Lake County those parts of Kirtland Township included within the corporate limits of the Villages of Waite Hill and Willoughby, and Willoughby Township, except the Village of Wickliffe.

Lake County, other than Willoughby Township and those parts of Kirtland Township included within the corporate limits of the Villages of Waite Hill and Willoughby.

This decontrols the City of Berea in Cuyahoga County, Ohio, a portion of the Cleveland, Ohio, Defense-Rental Area, based on a resolution submitted in accordance with section 204 (j) (3) of the Housing and Rent Act of 1947, as amended.

2. Schedule A, Item 353a, is amended to read as follows:

(353a) [Revoked and decontrolled.]

This decontrols (1) the City of Wenatchee in Chelan County, Washington, the Wenatchee, Washington, Defense-Rental Area, based on a resolution submitted in accordance with section 204 (j) (3) of the Housing and Rent Act of 1947, as amended, and (2) the remainder of said Defense-Rental Area on the Housing Expediter's own initiative in accordance with section 204 (c) of said act.

(Sec. 204, 61 Stat. 197, as amended; 50 U. S. C. App. Supp. 1894)

This amendment shall become effective May 26, 1950.

Issued this 25th day of May 1950.

TIGHE E. WOODS,
Housing Expediter.

[F. R. Doc. 50-4623; Filed, May 29, 1950;
8:49 a. m.]

TITLE 32—NATIONAL DEFENSE

Chapter VII—Department of the Air Force

PART 861—OFFICERS' RESERVE

PART 882—DISCHARGE OR RELEASE FROM ACTIVE DUTY

IDENTIFICATION CARDS; APPLICATION OF LAWS

1. Section 861.12 (e) (1) is amended as follows:

§ 861.12 *Identification cards.* * * *

(e) *Issue and replacement procedures.*—(1) *Applications submitted to Regular organization.* Air Force Reserve officers not on extended active duty will submit Air Force Form 279, "Application for Identification Card," to the Regular Air Force organizations having custody of their field personnel files. (Application blanks may be obtained at any Air Force activity.) Upon receipt of applications, issuing authorities will furnish appropriate instructions regarding specifications for photographs and identification information which must appear on the cards. Blank identification cards with appropriate instructions may be furnished applicants. Applicants will enter the necessary data; obtain fingerprints on the cards, from any civil or military authority with appropriate facilities; and one photographic print, size 1 x 1 1/4 inches; and will forward the cards and photographs to the issuing authorities for countersigning and processing. The completed cards will be returned to the applicants through the Regular Air Force organizations having custody of the applicants' field personnel files.

[AFR 45-47A] (R. S. 161; 5 U. S. C. 22. Interprets or applies sec. 37, 39 Stat. 189, as amended, sec. 32, 41 Stat. 776, sec. 1, 49 Stat. 1028, as amended, secs. 4, 6, 62 Stat. 89, 91, 10 U. S. C. 351, 352, 353, 369, 369a, 10 U. S. C. Sup., 422, 5 U. S. C. Sup., 626k)

2. Section 882.3 (b) is amended as follows:

§ 882.3 *Application of laws.* * * *

(b) *Enlisted men and women under ages of 17 and 18, respectively, at enlistment.* An enlisted man who was under 17 years of age at enlistment, or an enlisted woman who was under 18 years of age at enlistment, will be discharged when it is discovered that such person is still under the age of 17 years or 18 years, respectively. Subject to the provisions of paragraph (a) of this section, such enlisted man who has attained the age of 17, or such enlisted woman who has attained the age of 18, will be discharged only upon application of parents or legal guardian. Satisfactory evidence con-

cerning date of birth is required in each instance.

[AFR 39-12A] (Sec. 1, 61 Stat. 191; 10 U. S. C. Sup. 628)

[SEAL] E. H. NELSON,
Colonel, U. S. Air Force,
Deputy Air Adjutant General.

[F. R. Doc. 50-4616; Filed, May 29, 1950;
8:48 a. m.]

TITLE 33—NAVIGATION AND NAVIGABLE WATERS

Chapter II—Corps of Engineers, Department of the Army

PART 202—ANCHORAGE REGULATIONS

PART 207—NAVIGATION REGULATIONS

MISCELLANEOUS AMENDMENTS

1. Pursuant to the provisions of section 1 of the act of April 22, 1940 (54 Stat. 150; 33 U. S. C. 180), and section 7 of the River and Harbor Act of March 4, 1915 (38 Stat. 1053; 33 U. S. C. 471), §§ 202.60, 202.155, 202.195, and 202.224 are hereby amended, and §§ 202.52 and 202.126 designating areas in Thames River, New London, Connecticut, and Monterey Harbor, California, as special anchorage areas are hereby prescribed, as follows:

SUBPART A—SPECIAL ANCHORAGE AREAS

§ 202.52 *Thames River, New London, Conn.*—(a) *Area No. 1.* An area in the westerly part of Greens Harbor bounded as follows: Beginning at a point on the shore 100 yards southeasterly of the southerly side of Thames Street extended; thence 84°, 430 yards; thence 156°, 425 yards; thence 240°, 210 yards, to the shore; and thence northwesterly along the shore to the point of beginning.

(b) *Area No. 2.* An area in the westerly part of Greens Harbor bounded as follows: Beginning at a point on the shore 15 yards southeasterly of the southerly side of Converse Place extended; thence 54°, 170 yards; thence 114° 30', 550 yards; thence 266° 30', 250 yards; thence 234°, 230 yards, to the shore; and thence northwesterly along the shore to the point of beginning.

§ 202.60 *Port of New York and vicinity.* * * *

(h) *Manhasset Bay, east area at Manhasset Bay, at Port Washington.* * * *

(i) *Manhasset Bay, at Port Washington.* That portion of Long Island Sound Anchorage No. 4 (described in § 202.155) southward of latitude 40° 49' 44"; eastward of a line ranging 161° from the offshore and of the Yacht Service, Inc., pier on the Copp Estate at Manhasset toward the flagpole on the end of the Whitney Dock at Plandome; and northward of latitude 40° 49' 06".

(j) *Manhasset Bay, at Plandome.* That portion of Long Island Sound Anchorage No. 4 (described in § 202.155) southward of the line of the Whitney Dock at Plandome extended; eastward of a line ranging 06° from the Manhasset-Lakeville Water District tank at Thomaston toward the tank at Tom

Point; and northward of Thompson's pier at Plandome extended.

§ 202.126 *Monterey Harbor, Calif.* The waters of Monterey Harbor south of the Monterey Breakwater; and shoreward of a line beginning at Point "A" on the south side of the Monterey Breakwater about 750 feet east of the shore and at the westerly extremity of the U. S. Coast Guard wharf along the southerly side of the breakwater; thence 200°, 175 feet, to Point "B"; thence 110°, 1,300 feet, to Point "C"; thence 120° to Point "D" on the northerly extension of the westerly line of Park Avenue, City of Monterey; and thence 168° 30' along the westerly line of Park Avenue extended to the shore; excluding from this area a fairway 125 feet wide whose centerline begins at Point "C" and extends thence 205°, 610 feet, and thence 246°, 720 feet, and the waters between this fairway and the northerly end of Municipal Wharf No. 2 and between the southwesterly end of the fairway and Municipal Wharf No. 1.

SUBPART B—ANCHORAGE GROUNDS

§ 202.155 *Port of New York*—(a) *Long Island Sound*—(1) *Anchorage No. 1.* Southwest of a line between Neptune Island and Glen Island ranging from Aunt Phebe Rock Light and tangent to the north edge of Glen Island; southwest of a line tangent to the northeast edge of Glen Island and Goose Island breakwater; southwest of a line bearing southeasterly from the southwest end of Goose Island breakwater and on range with the south gable of the Casino on the northeast end of Glen Island; west of a line ranging from the east edge of Goose Island breakwater to the west edge of the north end of Hart Island; west of Hart Island; and northwest of a line extending from Hart Island Light to Locust Point; excluding from this area, however, (i) the waters northeast of a line ranging 303° from the southwest end of Hart Island; northwest of a line ranging from the water tank at the north end of Davids Island 207° 40' to the northwest end of City Island; and south of latitude 40° 52' 12"; and (ii) the waters west of Hunter Island; and south of a line ranging from the most southerly end of Glen Island tangent to the most northerly end of Hunter Island.

NOTE: Special anchorage areas in this anchorage are described in § 202.60.

(f) *Lower Bay.* * * *

(3) *Anchorage No. 28.* West of lines bearing 154° 30' from Fort Wadsworth Light to Craven Shoal Lighted Bell Buoy 19A, thence in succession to the buoys marking the east side of West Bank and the buoys on the west side of Chapel Hill Channel to southwest Spit Junction Lighted Gong Buoy, thence 182° to a line extending from Sandy Hook Point Light to Point Comfort; north of the latter line and the New Jersey shore; and east of a line bearing 353° from the head of the Keansburg Steamboat Pier at Point Comfort, through Great Kills Flat Buoy 4, to the Staten Island shore; excluding from this area, however, (i) the waters west of a line ranging from the stack on Hoff-

man Island 344° through the northeast corner of the T-shaped pier at South Beach; northwest of a line ranging from Great Kills Light 39° and tangent to the offshore face of the T-shaped pier at Midland Beach; and northeast of a line ranging from the stack on Swinburne Island 301° to the shore end of the north jetty at New Creek; and (ii) the waters west of a line ranging from Conover Light at Leonardo, New Jersey, 340° through Old Orchard Shoal Light; northwest of a line bearing 230° from the stack on Hoffman Island; and northeast of a line ranging from Great Kills Light 332° through Marine Park Light at Crooks Point.

§ 202.195 *Mississippi River below Baton Rouge, La., including South and Southwest Passes*—(a) *The anchorage grounds*—(1) *Pilotown Anchorage*. An area approximately 4.7 miles in length along the right descending bank or west side of the river, 800 feet wide, extending from a point directly opposite Pilotown Wingdam Light, about 1.7 miles upstream from Head of Passes, upstream to a point 1.0 mile downstream from Wilder Flats light. The area is marked by large signs, "Pilotown Anchorage," located on the right bank at the lower and upper limits. This anchorage is for ships which cannot proceed to sea because of fog at the Gulf ends of South and Southwest Passes or for any other reason.

(2) *Explosives anchorage*. An area along the right descending bank or west side of the river, 1,000 feet wide, extending upstream and downstream from a point located 1.4 miles upstream from Oak Point Light. The Commander, Eighth Coast Guard District, will designate anchorages upstream and downstream from this point. This anchorage is reserved for vessels carrying explosives. No vessel shall occupy this anchorage without obtaining a permit from the Commander, Eighth Coast Guard District.

(3) *New Orleans general anchorage*. An area approximately 2.1 miles in length along the right descending bank or southwest side of the river, 800 feet wide, extending from Cutoff Light upstream to the lower limits of the Quarantine Anchorage, approximately 0.7 mile downstream from the United States Quarantine Station Wharf. The area is marked by large signs, "General Anchorage," located on the right bank at the lower and upper limits. Vessels anchoring alongside of each other or in fleets are permitted, but during slack or low-water periods bow and stern anchors shall be provided.

(4) *Quarantine anchorage*. An area approximately 4,000 feet in length along the right descending bank or southwest side of the river, 800 feet wide, extending from the upper limits of the New Orleans General Anchorage, approximately 0.7 mile downstream from the United States Quarantine Station Wharf, upstream to a point marked by a sign located at the lower end of the Todd-Johnson Wharf, approximately 160 feet upstream from the Quarantine Station Wharf. This anchorage must be used by vessels awaiting inspection by United States Public

Health officials or under actual quarantine, and is under the supervision of the Officer in Charge of the United States Quarantine Station (section 364, Public Health Service Act, July 1, 1944, 58 Stat. 682; 42 U. S. C. 267).

(b) *The regulations*. (1) Except in cases of poor visibility or other emergency, anchoring is prohibited in the Mississippi River below Baton Rouge outside of the established anchorages or in South and Southwest Passes. If it becomes necessary in an emergency to anchor a vessel outside of the prescribed anchorages the vessel shall be so anchored that it will not interfere with or endanger other vessels, and it shall be moved as soon as the emergency is over. If it becomes necessary in an emergency to anchor a vessel in South Pass or Southwest Pass, the vessel shall take a position as close to the east bank as possible.

(2) When tied up individually or in fleets vessels shall be moored with sufficient lines and shore fastenings to insure their remaining in place and withstanding the action of winds, currents, or the suction of passing vessels.

(3) Except in case of great emergency, no vessel or craft shall anchor over revetted banks of the river. Every precaution shall be exercised at all times to avoid damage to the revetment works. The location of mattress work in New Orleans Harbor is indicated by warning signs erected at the ends and center of each reach of mattress work. Generally, mattress work extends out into the river 600 feet from the low water line. Information as to the location of revetted areas may be obtained from, and will be published from time to time by, the District Engineer, Corps of Engineers, New Orleans, Louisiana.

(4) The masters and pilots of all sea-going steamers, tugboats, and other vessels passing the Explosives Anchorage shall regulate the speed of their vessels over the bed of the river so as not to exceed seven miles per hour going downstream or five miles per hour going upstream whenever any vessel is anchored or moored within the Explosives Anchorage and engaged in handling explosives.

§ 202.224 *San Francisco Bay, San Pablo Bay, Carquinez Strait, Suisun Bay, San Joaquin River, and connecting waters, Calif.*—(a) *San Francisco Bay*—(1) *Anchorage 1 (temporary)*. (i) Bounded by the north shore of the City of San Francisco and lines joining points which are the following bearings and distances from Alcatraz Light: 193° 30', 2,170 yards; 234° 30', 1,135 yards; 251°, 2,260 yards; 251°, 4,210 yards; and 234° 30', 4,410 yards.

(ii) Except as otherwise provided in this subparagraph, this anchorage is a temporary anchorage reserved for the use of vessels entering port while undergoing examination by quarantine, customs, or immigration authorities. Upon completion of these examinations, vessels shall move out of this anchorage promptly. Yachts may anchor in that portion of this anchorage bounded by the shore and lines joining points which are the following bearings and distances from Alcatraz Light: 215° 30', 2,840

yards; 219° 30', 2,650 yards; 230°, 3,380 yards; 227°, 3,500 yards. No permanent moorings shall be placed in this latter-described area.

(2) *Anchorage 2 (general)*. That portion of Richardson Bay north of a line bearing 257° from Peninsula Point to the shore at Sausalito, except so much of this area as is included in Naval Anchorage 11 and the improved channel to, and the turning basin at, Sausalito.

(3) *Anchorage 3 (general)*. That portion of Belvedere Cove west of a line bearing 25° 30' from Peninsula Point to the shore at Tiburon.

(4) *Anchorage 4 (general)*. Bounded by the westerly shore of San Francisco Bay and the following lines: Beginning at the shore at Bluff Point; thence to a point bearing 286°, 3,630 yards, from Southampton Shoal Light; thence to a point bearing 228°, 4,450 yards, from East Brother Island Light; thence along a line bearing 266° to the shore south of Point San Quentin; except so much of this area as is included in the restricted area, Naval Net Depot, Tiburon (described in § 207.640 (h) of this chapter), Quarantine Anchorage 17 when that anchorage is being used for quarantine purposes, and the outer boundary of the forbidden anchorage zone surrounding Explosives Anchorage 13.

(5) *Anchorage 5 (general)*. (i) Bounded by the easterly shore of San Francisco Bay and the following lines: Beginning at the shoreward end of the Standard Oil Wharf at Point Orient; thence along the wharf to the southwest corner thereof; thence to a point bearing 334° 30', 4,050 yards, from Southampton Shoal Light; thence along a line bearing 93° to the shore; except so much of this area as is included in the restricted area, Naval Fuel Annex, Molate Point (described in § 207.640 (i) of this chapter), and the improved channel to Richmond Inner Harbor.

(ii) Vessels may anchor in this anchorage immediately adjacent to the improved channel to Richmond Inner Harbor: *Provided*, That any ship obstructing the channel must move from its position immediately if and when the fairway is required by a vessel navigating the channel.

(6) *Anchorage 6 (general)*. Bounded by the easterly shore of San Francisco Bay and the following lines: Beginning at the shore at the southernmost extremity of Point Isabel; thence along the northerly shore of Brooks Island to the training wall extending westerly therefrom; thence westerly along the training wall to its bayward end; thence to a point bearing 104°, 1,035 yards, from Treasure Island North End Light; thence along a line bearing 144° 30' to a point 290 yards northerly of the center of Pier K of the San Francisco-Oakland Bay Bridge; thence along a line bearing 71° to the shore; excluding from this area, however, the cable areas therein.

(7) *Anchorage 7 (general)*. That portion of San Francisco Bay bounded by the westerly shore of Treasure Island and the following lines: Beginning at the northwest corner of Treasure Island at a point bearing 89°, 4,135 yards, from Alcatraz Light; thence to points which

are the following bearings and distances from Alcatraz Light: 73° 30', 3,100 yards; 111°, 3,070 yards; 123°, 4,335 yards; and 108°, 5,100 yards.

(8) *Anchorage 8 (general)*. That portion of San Francisco Bay east of the City of San Francisco the corners of which are the following bearings and distances from the center of the anchor pier (Pier C) of the San Francisco-Oakland Bay Bridge: 118°, 2,635 yards; 175° 30', 2,420 yards; 172°, 3,470 yards; and 168°, 3,520 yards.

(9) *Anchorage 9 (general)*. Bounded on the north by the shore, the breakwater and turning basin at the Naval Air Station, Alameda, and a line from Air Station Channel Lighted Buoy 6 to Air Station Channel Entrance Lighted Buoy 2; bounded on the west by a line beginning at Air Station Channel Entrance Lighted Buoy 2, thence to a point bearing 17°, 4,050 yards, from Hunters Point Light, thence to a point bearing 343° 30', 4,000 yards, from Hunters Point Light, thence to a point bearing 343° 30', 3,330 yards, from Hunters Point Light, and thence 146°; bounded on the south by a line 1,000 yards northerly from and parallel to the Hayward-San Mateo Bridge; and bounded on the east by the shore, including all of San Leandro Bay. The following areas are excluded from this anchorage: The seaplane restricted area, Naval Air Station, Alameda (described in § 207.640 (e) of this chapter); Explosives Anchorage 14, Explosives Storage Anchorages 15 and 16, and the forbidden anchorage zone surrounding each of these three anchorages.

(10) *Anchorage 9-A (general)*. Shoreward of the following lines: Beginning at the outer end of the south fender of the former automobile ferry slip at the end of the Alameda Mole; thence 270°, 400 yards; thence 216°, approximately 2,000 yards; thence along a line bearing 127° from Alcatraz Light, 1,200 yards; thence 36° to the shore; excluding the cable area adjacent to the Alameda Mole.

(11) *Anchorage 10 (naval)*. (i) The triangular-shaped area immediately east of Sausalito northwest of a line bearing 234° from Point Stuart Light, and southwest of a line bearing 303° from Alcatraz Light.

(ii) This anchorage is for the use of public vessels of the United States, but may be used by yachts when not required for use by public vessels. All yachts making use of this anchorage shall be prepared to move immediately upon notice should the anchorage be required for public vessels. With the permission of the District Commander, permanent yacht moorings may be placed within this anchorage, not more than 900 feet from the shore.

NOTE: The term "District Commander" as used in this section means the Commander, Twelfth Coast Guard District, or his authorized representative.

(12) *Anchorage 11 (naval)*. (i) That portion of Richardson Bay the corners of which are the following bearings and distances from Point Stuart Light: 273°, 1,150 yards; 271°, 2,520 yards; 257° 30', 2,580 yards; and 248° 30', 1,530 yards; except so much of this area as is included in the improved channel to Sausalito.

(ii) This anchorage is reserved for the exclusive use of vessels and seaplanes of the United States Navy.

(13) *Anchorage 12 (naval)*. (i) That portion of San Francisco Bay east of the City of San Francisco the corners of which are the following bearings and distances from the center of the anchor pier (Pier C) of the San Francisco-Oakland Bay Bridge: 95°, 3,035 yards; 110°, 980 yards; 188°, 1,170 yards; 175° 30', 2,420 yards; and 118°, 2,635 yards.

(ii) This anchorage is reserved for the use of vessels of the United States or foreign navies and for other public vessels of the United States. With the permission of the District Commander, this anchorage may be used temporarily by vessels other than public vessels, but vessels availing themselves of this privilege must hold themselves in readiness to shift berth immediately upon receiving notice to do so.

(14) *Anchorage 13 (explosives)*. (i) A circular area having a radius of 1,000 feet about a white buoy used to mark its location bearing 38°, 2,000 yards, from the most northerly extremity of California Point.

(ii) This anchorage is for the use of vessels loaded with, loading, or unloading explosives, and this anchorage shall not be used by any other vessel. This provision is not intended to prohibit lighters and barges from tying up alongside ships for transfer of cargo.

(iii) A circular zone 2,000 feet wide partially surrounding this anchorage is a forbidden anchorage zone and shall not be used for anchorage purposes by any vessels. The additional area included by a 2,000-yard radius is a danger area to be vacated by all vessels when so directed by the District Commander.

(15) *Anchorage 14 (explosives)*. (i) A circular area having a radius of 1,500 feet about a white buoy used to mark its location bearing 100° 30', 2,950 yards, from Hunters Point Light.

(ii) This anchorage is for the use of vessels loaded with, loading, or unloading explosives, and this anchorage shall not be used by any other vessel. This provision is not intended to prohibit lighters and barges from tying up alongside ships for transfer of cargo.

(iii) A circular zone 1,500 feet wide surrounding this anchorage is a forbidden anchorage zone and shall not be used for anchorage purposes by any vessels.

(iv) This anchorage and the surrounding forbidden anchorage zone may be temporarily discontinued by the District Engineer, Corps of Engineers, San Francisco, California, when the area is required for general anchorage purposes.

(16) *Anchorage 15 (explosives storage)*. (i) An area 3,000 feet square whose center is marked by a white buoy bearing 124° 30', 9,835 yards, from Hunters Point Light, and whose sides are due north-south and east-west.

(ii) This anchorage is for the purpose of storage of explosives. Barges and vessels shall be anchored so as not to approach within 500 feet of one another. All barges using this anchorage for storage purposes shall anchor with two or more anchors. The District Commander may authorize the placing of moorings within this anchorage, provided these

moorings are so placed that barges at one mooring shall at all times be not less than 500 feet from barges at an adjacent mooring.

(iii) A square zone 1,500 feet wide surrounding this anchorage is a forbidden anchorage zone and shall not be used for anchorage purposes by any vessels.

(17) *Anchorage 16 (explosives storage)*. (i) An area 3,000 feet square the northeast corner of which is marked by a white pile dolphin bearing 270°, 2,900 yards, from Roberts Landing, and whose sides are due north-south and east-west.

(ii) This anchorage is for the purpose of storage of explosives. Barges and vessels shall be anchored so as not to approach within 500 feet of one another. All barges using this anchorage for storage purposes shall anchor with two or more anchors. The District Commander may authorize the placing of moorings within this anchorage, provided these moorings are so placed that barges at one mooring shall at all times be not less than 500 feet from barges at an adjacent mooring.

(iii) A square zone 1,500 feet wide surrounding this anchorage is a forbidden anchorage zone and shall not be used for anchorage purposes by any vessels.

(18) *Anchorage 17 (quarantine)*. An area 3,000 feet square, the easterly side of which is coincident with the easterly boundary of General Anchorage 4 and the northeasterly corner of which is on the said easterly boundary 97° 30', 2,250 yards, from the northerly extremity of California Point.

NOTE: This anchorage is under the jurisdiction of the Medical Officer in charge of the Port of San Francisco and is included in this section for information only.

(b) *San Pablo Bay*—(1) *Anchorage 18 (general)*. Bounded by the westerly shore of San Pablo Bay and the following lines: Beginning at the shore at Point San Pedro; thence 90° to the easterly of the Sisters Islands; thence to points which are the following bearings and distances from Petaluma Creek Light and Echo Board 2 at the entrance to the dredged channel to Petaluma Creek: 185° 30', 1,570 yards and 284° 30', 5,435 yards; excluding from this area, however, the channel to Hamilton Field and extension of this channel easterly to the boundary of the anchorage, and the pipe line area therein.

(2) *Anchorage 19 (general)*. Bounded by the northeasterly shore of San Pablo Bay and the following lines: Beginning at the shore at a point bearing 06° 30', 6,400 yards, from Petaluma Creek Light and Echo Board 2 at the entrance to the dredged channel to Petaluma Creek; thence to points which are the following bearings and distances from Petaluma Creek Light and Echo Board 2: 175° 30', 9,070 yards; 132°, 7,530 yards; 105° 30', 9,870 yards; 97° 30', 13,740 yards; 95° 30', 13,740 yards; and thence along the long dike extending southwesterly from Mare Island to the shore at Mare Island.

NOTE: See § 204.215 establishing a target area in San Pablo Bay adjacent to the westerly shore of Mare Island for use of the Mare Island Navy Yard.

(3) *Anchorage 20 (general)*. Bounded by the southeasterly shore of San Pablo

Bay and the following lines: Beginning at the northeast corner of Parr Terminal No. 4 at Point San Pablo; thence to a point bearing 14°, 1,135 yards, from the northeast corner of the wharf at Pinole point; thence to the northwest corner of the wharf of the Union Oil Company at Oleum; and thence along this wharf to the shore; excluding from this area Explosives Anchorages 22 and 23.

(4) *Anchorage 21 (naval)*. A rectangular area south of Mare Island the corners of which are the following bearings and distances from the tall stack at the Selby Smelting Works: 331° 30', 1,285 yards; 300° 30', 1,830 yards; 286° 30', 1,530 yards; and 321°, 800 yards.

(5) *Anchorage 22 (explosives)*. (i) A circular area having a radius of 1,500 feet whose center is at the northwest corner of the wharf of the Giant Powder Company at Pinole Point.

(ii) This anchorage is for the use of vessels loaded with, loading, or unloading explosives, and this anchorage shall not be used by any other vessel.

(6) *Anchorage 23 (explosives)*. (i) A circular area having a radius of 1,500 feet whose center is at the northwest corner of the wharf of the Hercules Powder Company at Refugio Landing.

(ii) This anchorage is for the use of vessels loaded with, loading, or unloading explosives, and this anchorage shall not be used by any other vessel.

(c) *Carquinez Strait*—(1) *Anchorage 24 (general)*. Bounded by the northerly shore of Carquinez Strait and lines joining points which are the following bearings and distances from Port Costa Light: 332° 30', 1,820 yards; 347°, 1,330 yards; 347°, 710 yards; and 109° 30', 1,800 yards; excluding from this area, however, the cable area therein.

(2) *Anchorage 25 (general)*. Bounded by the south shore of Carquinez Strait and lines joining points which are the following bearings and distances from Benicia Wharf Light: 145° 30', 2,970 yards; 141°, 1,970 yards; and 234°, 1,300 yards.

(d) *Suisun Bay*—(1) *Anchorage 26 (general)*. (i) On the west side of Suisun Bay adjacent east and northeast of the City of Benicia within the following boundaries: The northeast edge of the Southern Pacific Bridge from the north shore to the first siren; thence 77° 30', 550 yards; thence 35°, 6,650 yards; thence 44°, 2,100 yards; thence 314° to the shore; and thence along the shore to the point of beginning.

(ii) The area in this anchorage between the rows, and extending 150 feet on all sides, of vessels of the United States Maritime Commission moored therein is designated as a restricted area.

(iii) Except in cases of emergency, and as otherwise provided in this subparagraph, vessels other than those owned, operated, or controlled by the United States or the State of California are excluded from the restricted area. The inboard area, which is the area between the shore and the shoreward end of each row of vessels, shall be accessible to sportsmen during the open season for waterfowl, and also to any small craft in the event of emergency or bad weather. Private craft using the in-

board area shall do so at their own risk, and shall avoid obstructing the movement of vessels and other small craft necessary in the operations of the Maritime Commission in the maintenance of its fleet in this anchorage. Private small craft shall be permitted to enter the inboard area for the purpose of landing, docking, or discharging passengers on shore opposite the restricted area; however, they shall not be permitted to use any of the Maritime Commission's shore facilities for this purpose. The regulations in this subparagraph shall be enforced by the Superintendent, U. S. Maritime Commission, Suisun Bay, California Reserve Fleet, Benicia, California, and such agencies as he may designate.

(2) *Anchorage 27 (general)*. An area in the northeast portion of Suisun Bay lying east of a line due north through the tripod on Roe Island at Preston Point; north of a line bearing 84° from the fixed range light located 1,187 yards to the southwest of said tripod to the old lighthouse at the most southerly point of Roe Island; thence bearing 101° to Middle Ground Light; thence 88° to Chipps Island.

(e) *San Joaquin River*—(1) *Anchorage 28 (general)*. An area adjacent to Lower Sherman Island lying southeasterly of a line 2,900 feet long bearing 238° from Sherman Island North End Light; easterly of a line 7,500 feet long bearing 163° 30' from the west end of said 2,900-foot line; northerly of a line 1,500 feet long bearing 73° 30' from the southerly end of said 7,500-foot line; easterly of a line bearing 163° 30' from the easterly end of said 1,500-foot line; and northerly of a line bearing 27° from New York Slough East End Light and Echo Board to Sherman Island.

(2) *Anchorage 29 (general)*. The entire water area southerly of West Island between West Island and the mainland lying between lines bearing 150° from the eastern extremity of West Island and 211° from the westerly extremity of West Island.

(3) *Anchorage 30 (explosives)*. (i) That portion of the Old San Joaquin River channel bounded on the west by Mandeville Point and on the north, east, and south by lines joining points which are the following bearings and distances from Stockton Channel 3 Light: 341° 1,400 yards; 348° 30', 1,520 yards; 355° 20', 1,340 yards; 08° 30', 835 yards; and 341°, 870 yards.

(ii) This anchorage is for the use of vessels, lighters, and barges loaded with, loading, or unloading explosives or explosive materials, and shall not be used by any other vessel or craft while such operations are in progress. At all other times the area will be open to fishing and navigation without restriction.

(iii) Notice of loading and unloading operations will be given by notice published by the United States Coast Guard in "Notice to Mariners," and by notice given by the Port of Stockton to local radio stations and newspapers, and by telephonic means to any organization that may request that such advice be given. In all cases the notice will state how long the operations will be in progress and on what days.

(f) *Mayberry Slough, Sherman Island; restricted anchorage for vessels of the United States Government*—(1) *The anchorage ground*. All of the upper portion of Mayberry Slough, upstream from a point 1.65 nautical miles above its mouth.

(2) *The regulations*. No vessel or other craft, except those belonging to the United States Government, property owners of Sherman Island, or public utilities serving the area, shall navigate or anchor in the anchorage without special permission from the Commanding General, San Francisco Port of Embarkation, Fort Mason, California, or his authorized representative.

(g) *General regulations*. (1) Except in cases of distress, great emergency, or heavy fog, no vessel shall be anchored in the navigable waters of San Francisco Bay, San Pablo Bay, Carquinez Strait, Suisun Bay, New York Slough, San Joaquin River Deep Water Channel, and the Stockton Turning Basin outside of the anchorages defined and established in this section; or be anchored within an improved channel or a cable or pipeline area shown on a Government chart; or be moored, anchored, or made fast to any pier, wharf, bulkhead, or vessel in such manner as to impede or endanger the passage of any vessel in transit by, or to or from, adjacent wharves, piers, slips, or navigation channels.

(2) The District Commander, whenever in his opinion such action is necessary, may require any or all vessels in any designated anchorage to moor with two or more anchors. (Vessels using Anchorages 15 and 16 for the purpose of storage of explosives will be required to anchor with two or more anchors at all times.)

(3) Every vessel whose crew may be reduced to such number that it will not have sufficient men on board to weigh anchor at any time shall be anchored with two anchors, with mooring swivel put on before the crew is reduced or released.

(4) Anchors shall not be placed outside the anchorages, nor shall any vessel be so anchored that any portion of the hull or rigging extends outside the boundaries of the anchorage.

(5) Vessels anchoring outside of the designated anchorages or in the San Joaquin River Deep Water Channel or the Stockton Turning Basin because of distress or heavy fog shall be placed as near the edge of the channels or turning basin as possible, and in such position as not to interfere with the free navigation thereof or obstruct the approach to any pier, wharf, slip, or boat harbor. They shall move from such position as soon as the emergency ceases or when so ordered by the District Commander. No vessel shall be permanently moored in areas adjacent to the San Joaquin River Deep Water Channel or in any stream tributary thereto within one-half mile of its junction with the Channel, except on permission in writing from the District Commander.

(6) The anchorages shall be used only for the purposes stated for each and under the special limitations applicable thereto.

(7) The District Commander will assign berths in the anchorages to all vessels applying for such permission. He may grant permits to those vessels habitually maintaining and using the same mooring place in an anchorage, and no vessel shall occupy a permanent berth in an anchorage except under authority of such a permit which may be revoked at any time.

(8) A vessel, upon being notified to move into the anchorage limits or to shift its position in the anchorage grounds, shall get under way at once or obtain a tug and change its position with reasonable promptness, as directed.

(9) Whenever required by maritime or commercial interests of the United States, the District Commander is empowered to shift the position of any vessel anchored within or outside an anchorage, of any vessel which is so moored or anchored that its position impedes or obstructs vessel movements in any channel or obstructs or interferes with range lights, and of any vessel which, lying at the exterior end of a pier or alongside a wharf or bulkhead, obstructs or endangers the passage of vessels to or from adjacent wharf property or impedes the movement of vessels entering or leaving slips and boat harbors.

(10) Permits to anchor in channels within the limits of the waterways covered by the regulations in this section may be granted by the District Commander to wrecking plants or other vessels legally engaged in recovering sunken property or in laying or repairing pipe or cable lines legally established when the application for such anchorage is approved by the District Engineer, Corps of Engineers, and to plant engaged in dredging operations when authorized by the District Engineer. The provisions of this subparagraph will not apply to plant engaged under the supervision of the District Engineer upon works for the improvement of rivers and harbors, but the District Engineer will advise the District Commander in advance of the proposed work for such improvement in all cases where the plant is to be employed under his supervision.

(11) Nothing in this section shall be construed as relieving the owner or person in charge of any vessel from the penalties of law for obstructing navigation or for obstructing or interfering with range lights, or for not complying with the navigation laws in regard to lights, for signals, or for otherwise violating the law.

(12) Except as provided in subparagraph (15) of this paragraph, vessels carrying explosives or other dangerous articles, including inflammable liquids, inflammable solids, oxidizing materials, corrosive liquids, compressed gases, and poisonous substances, shall be anchored within Anchorages 13, 14, 15, 16, 22, 23, and 30 only. Any vessel carrying explosives and desiring to proceed to one of the anchorages provided therefor shall first obtain a written permit from the District Commander, and no vessel shall occupy a berth in such anchorage except by authority of such permit, which may be revoked at any time. All other vessels, especially tugs and stevedore boats, en-

gaged or used in connection with loading explosives on vessels shall carry written permits from the District Commander, and shall show these permits whenever required by him.

(13) Whenever any watercraft not fitted with mechanical power anchors in Anchorages 13, 14, 15, 16, or 30 while carrying explosives, the District Commander may require the attendance of a tug upon such watercraft when, in his judgment, such action is necessary.

(14) When vessels are conducting loading operations from barges at any of the established explosives anchorages, as indicated by the display of a red flag (International Code Flag "B") at the masthead, passing vessels of over 100 tons displacement shall reduce their speed to six knots over the ground.

(15) The District Engineer, Corps of Engineers, is empowered to authorize, in writing, the anchoring of a single barge carrying explosives in or near the vicinity of work being done directly under his supervision, or under a Department of the Army permit, but only in quantities considered by him as safe and necessary. The District Engineer will prescribe the conditions under which this explosive shall be stored and handled and in each case will furnish the District Commander with a copy of the written permit to anchor explosives on the work and a copy of the conditions for storing and handling.

(16) Vessels other than those under Federal supervision shall not go alongside or in any manner moor to any Government-owned vessel, mooring buoy, or pontoon boom, their anchor cables, or any of their appendages. Vessels other than those under Federal supervision shall not obstruct or interfere in any manner with the mooring, unmooring, or servicing of vessels owned by the United States.

(54 Stat. 150; 33 U. S. C. 180, 258, 319)

2. Pursuant to the provisions of section 7 of the River and Harbor Act of August 8, 1917 (40 Stat. 266; 33 U. S. C. 1), and section 5 of the River and Harbor Act of March 3, 1909 (35 Stat. 818; 33 U. S. C. 2), §§ 207.190, 207.210, 207.220, and 207.230 are hereby revoked, and §§ 207.200, 207.300, 207.640, and 207.800 are hereby amended, as follows:

§ 207.190 *South Pass, Mississippi River; navigation.* [Revoked.]

§ 207.200 *Mississippi River below mouth of Ohio River, including South and Southwest Passes; use, administration, and navigation.*—(a) *Mississippi River bank protection works provided by United States.* Except in case of great emergency, no vessel or craft shall anchor over revetted banks of the river, and no floating plant other than launches and similar small craft shall land against banks protected by revetment except at regular commercial landings. In all cases, every precaution to avoid damage to the revetment works shall be exercised. The construction of log rafts along mattress or paved banks or the tying up and landing of log rafts against such banks shall be performed in such a manner as to cause no damage to the mattress work or bank

paving. Generally, mattress work extends out into the river 600 feet from the low water line. Information as to the location of revetted areas may be obtained from, and will be published from time to time by the District Engineers, Corps of Engineers, New Orleans, Louisiana, Vicksburg, Mississippi, and Memphis, Tennessee, and the President, Mississippi River Commission, Vicksburg, Mississippi.

(b) *Mississippi River below Baton Rouge, La.; including South and Southwest Passes.*—(1) *Supervision.* The use, administration, and navigation of the waterways to which this paragraph applies shall be under the supervision of the District Engineer, Corps of Engineers, New Orleans, Louisiana.

(2) *Speed; high-water precautions.* When passing another vessel (in motion, anchored, or tied up), a wharf or other structure, work under construction, plant engaged in river and harbor improvement, levees withstanding flood waters, buildings partially or wholly submerged by high water, or any other structure liable to damage by collision, suction or wave action, vessels shall give as much leeway as circumstances permit and reduce their speed sufficiently to preclude causing damage to the vessel or structure being passed. Since this subparagraph pertains directly to the manner in which vessels are operated, masters of vessels shall be held responsible for strict observance and full compliance therewith. During high river stages, floods, or other emergencies, the District Engineer may prescribe by navigation bulletins or other means the limiting speed in land miles per hour deemed necessary for the public safety for the entire section or any part of the waterways covered by this paragraph, and such limiting speed shall be strictly observed.

(3) *Towing.* Towing in any formation by a vessel with insufficient power to permit ready maneuverability and safe handling is prohibited.

(4) *Cable and pipeline crossings.* Any cable or pipeline crossing or extending into the waterways shall be marked by large signs with 12-inch black letters on a white background readable from the waterway side, placed on each side of the river near the point where the cable or pipeline enters the water, and at a sufficient height to be readable above any obstructions normally to be expected at the locality such as weeds or moored vessels.

(5) *Marine accidents.* Masters, mates, pilots, owners, or other persons using the waterway to which this paragraph applies shall notify the District Engineer by the most expeditious means available of all marine accidents, such as fire, collision, sinking, or stranding, where there is possible obstruction of the channel or interference with navigation or where damage to Government property is involved, furnishing a clear statement as to the name, address, and ownership of the vessel or vessels involved, the time and place, and the action taken. In all cases, the owner of the sunken vessel shall take immediate steps properly to mark the wreck.

(c) *Movement of vessels in vicinity of Algiers Point, New Orleans Harbor*—(1) *Control lights*. When the Mississippi River reaches 12 feet on the Carrollton Gage on a rising stage, and until the gage reads 15 feet on a falling stage, the movement of all tugs with tows and all ships, whether under their own power or in tow, and excluding tugs or towboats without tows or river craft of comparable size and maneuverability operating under their own power, in the vicinity of Algiers Point shall be governed by red and green lights designated and located as follows: Governor Nicholls Light located on the left descending bank at the downstream end of Governor Nicholls Street Wharf, New Orleans, approximately 94.4 miles above Head of Passes; and Gretna Light located on the right descending bank on top of the levee at the foot of Ocean Avenue, Gretna, approximately 96.6 miles above Head of Passes. Governor Nicholls Light has lights visible from both upstream and downstream, and Gretna Light has lights visible from upstream, all indicating by proper color the direction of traffic around Algiers Point. From downstream, Gretna Light always shows green. All lights oscillate through 60 degrees, sweeping the entire width of the river every five seconds. A green light displayed ahead of a vessel (in the direction of travel) indicates that Algiers Point is clear and the vessel may proceed. A red light displayed ahead of a vessel (in the direction of travel) indicates that Algiers Point is not clear and the vessel shall not proceed. Absence of lights shall be considered a danger signal and no attempt shall be made to navigate through the restricted area.

(2) *Ascending vessels*. Ascending vessels shall not proceed farther up the river than a line connecting the upper end of Morgan's Wharf (on right descending bank) with the lower end of Desire Street Wharf (on left descending bank) when a red light is displayed. Vessels awaiting a change of signal shall keep clear of descending vessels.

(3) *Descending vessels*. (i) Descending vessels shall not proceed farther down the river than a line connecting the lower end of Julia Street Wharf (on left descending bank) with Diana Street (on west descending bank) when a red light is displayed. Vessels shall round to and be headed upstream before they reach that line, if the signal remains against the vessel. Vessels awaiting a change of signal shall keep clear of ascending vessels.

(ii) Vessels destined to a wharf above the lower end of Julia Street Wharf shall signal the Gretna towerman three long blasts and one short blast of a whistle or horn to indicate that the vessel is not bound below the Julia Street Wharf.

(iii) The master, pilot, or authorized representative of any vessel scheduled to depart from a wharf between Governor Nicholls Street signal tower and Louisiana Avenue, bound downstream around Algiers Point, shall communicate with the Governor Nicholls Street towerman by telephone to determine whether the channel at Algiers Point is clear before departure. When the point is clear, vessels shall then proceed promptly so that

other traffic will not be unnecessarily delayed.

NOTE: Telephone numbers of both signal towers will be published in navigation bulletins in advance of each operating period.

(4) *Underpowered vessels*. When the Carrollton Gage reads 12 feet or higher, any vessel which is considered by the master or pilot as being underpowered or a poor handler shall not navigate around Algiers Point without the assistance of a tug or tugs.

(5) *Towing*. When the Carrollton Gage reads 12 feet or higher, towing on a hawser in a downstream direction between Julia Street and Desire Street is prohibited except by special permission of the District Engineer.

(d) *Navigation of South and Southwest Passes*. (1) No vessel, except small craft and towboats and tugs without tows, shall enter either South Pass or Southwest Pass from the Gulf until after any descending vessel which has approached within one mile of the outer end of the jetties shall have passed to sea.

(2) No vessel having a speed of less than nine knots shall enter South Pass from the Gulf when the stage of the Mississippi River exceeds 15 feet on the Carrollton Gage at New Orleans. This subparagraph does not apply when Southwest Pass is closed to navigation.

(3) No vessel, except small craft and towboats and tugs without tows, ascending South Pass shall pass Franks Crossing Light until after a descending vessel shall have passed Depot Point Light.

(4) No vessel, except small craft and towboats and tugs without tows, shall enter the channel at the head of South Pass until after an ascending vessel which has reached Franks Crossing Light shall have passed through into the river.

(5) When navigating South Pass during periods of darkness no tow shall consist of more than one towed vessel other than small craft, and during daylight hours no tow shall consist of more than two towed vessels other than small craft. Tows may be in any formation. When towing on a hawser, the hawser shall be as short as practicable to provide full control at all times.

(6) When towing in Southwest Pass during periods of darkness no tow shall consist of more than two towed vessels other than small craft, and during daylight hours no tow shall consist of more than three towed vessels other than small craft.

§ 207.210 *Mississippi River; navigation*. [Revoked.]

§ 207.220 *Mississippi River in the vicinity of Algiers Point, Port of New Orleans, La.; movement of vessels*. [Revoked.]

§ 207.230 *Mississippi River from the Cache River, Ill., to the Head of the Passes, La., including New Orleans Harbor; regulations to govern navigation where bank protection works have been provided by the United States*. [Revoked.]

§ 207.300 *Ohio River, Mississippi River above Cairo, Ill., and their tributaries; use, administration, and naviga-*

tion—(a) *Authority of lock masters*. The movement and position of all boats and floating craft of every description while at or near the locks and dams and in canals shall be subject to the direction of the lock master, whose orders shall be obeyed in the operation and mooring of such boats and craft. Crews shall render such assistance in the lockage of their craft as the lock master may require.

NOTE: The term "lock master" as used in this section means the lock master or the lock official present who has authority to issue orders to the other lock personnel or to vessels.

(z) *Special regulations applicable to Ohio River below mouth of Cache River, Ill.* Except in case of great emergency, no vessel or craft shall anchor over revetted banks of the river, and no floating plant other than launches and similar small craft shall land against banks protected by revetment except at regular commercial landings. In all cases, every precaution to avoid damage to the revetment works shall be exercised. The construction of log rafts along matted or paved banks or the tying up and landing of log rafts against such banks shall be performed in such a manner as to cause no damage to the mattress work or bank paving. Generally, mattress work extends out into the river 600 feet from the low water line. Information as to the location of revetted areas may be obtained from, and will be published from time to time by, the President, Mississippi River Commission, Vicksburg, Mississippi.

(aa) *Effective date*. [This paragraph eliminated.]

§ 207.640 *San Francisco, San Pablo Bay, Carquinez Strait, Suisun Bay, San Joaquin River, and connecting waters, Calif.*—(a) *San Francisco Bay north of Alcatraz Island; submarine operating area*—(1) *The area*. Bounded as follows: North boundary, latitude 37°50'38"; east boundary, longitude 122°25'00"; south boundary, latitude 37°50'00"; west boundary, longitude 122°26'10".

(2) *The regulations*. Prior notification of the dates and times of all operations will be made by local notice to mariners. A patrol boat will direct the movement of vessels passing in the vicinity of the operating area by means of signal light and loud hailer. Vessels traversing this area shall be alert and comply with the orders of the patrol boat. The regulations in this paragraph shall be enforced by the Commandant, Twelfth Naval District, and such agencies as he may designate.

(b) *San Francisco Bay in the vicinity of Alcatraz Island, restricted area*—(1) *The area*. All waters within 200 yards of the shore of Alcatraz Island.

(2) *The regulations*. The use or navigation of the waters within this area by any vessel or craft other than vessels controlled and operated by the United States Government is prohibited unless authorized by an officer of the Department of Justice empowered by the Attorney General of the United States to grant such authority.

(c) *San Francisco Bay in vicinity of Hunters Point; Naval restricted area—*

(1) *The area.* Bounded by the shore of the San Francisco Naval Shipyard and the following lines: Beginning at a point on the northerly shore of the Shipyard bearing 292° 40', 950 yards, from Hunters Point Light; thence 35° 27', 730 yards, to the U. S. Pierhead Line; thence 142° 55', 1,300 yards, along the Pierhead Line; thence 180°, 2,450 yards, to the San Francisco-San Mateo County Line; thence 270°, 430 yards, along the County Line; thence 305° 27', 1,313 yards, to and along the southwesterly side of South Basin; and thence due north, 413 yards, to the southwesterly shore of the Shipyard.

NOTE: All bearings in this section are referred to true meridian.

(2) *The regulations.* No vessel or other craft, except vessels of the United States Government or vessels duly authorized by the Commander, San Francisco Naval Shipyard, shall navigate, anchor, or moor in this area.

(d) *San Francisco Bay at South San Francisco; seaplane restricted area—*

(1) *The area.* Bounded by the westerly shore of South San Francisco Bay and the following lines: Beginning at a point on shore bearing 147° 30', 2,930 yards, from Aviation Beacon "Aero" at San Francisco Airport; thence to points which are the following bearings and distances from Aviation Beacon "Aero": 104°, 10,100 yards; 90°, 7,290 yards; 53°, 6,120 yards; and 03°, 2,420 yards.

(2) *The regulations.* No surface watercraft shall be operated or anchored in this area except by specific permission of the Commanding Officer, Coast Guard Air Station, South San Francisco. Persons desiring to navigate vessels across the area shall give advice of their intention to do so and make request to the Commanding Officer not less than four hours in advance of the time they desire to take the vessel across the area.

(e) *San Francisco Bay; seaplane restricted area, Naval Air Station, Alameda—*

(1) *The seaplane restricted area.* The waters of San Francisco Bay south of the Naval Air Station, Alameda, bounded on the north by the breakwater and turning basin at the Naval Air Station, and a line from Air Station Channel Lighted Buoy 6 to Air Station Channel Entrance Lighted Buoy 2; bounded on the west, south, and east by lines connecting Air Station Channel Entrance Lighted Buoy 2 and points which are the following bearings and distances from Hunters Point Light: 17°, 4,050 yards; 85°, 5,300 yards; 86°, 7,075 yards; 73°, 9,160 yards; and 70° 30', 9,300 yards; and bounded on the northeast by a line running from the last-described point 299° to the breakwater.

(2) *The take-off zone.* The area in San Francisco Bay southeast of the southeast boundary of General Anchorage 8 (described in § 202.224 (a) of this chapter); north of the north boundary of General Anchorage 9 (described in § 202.224 (a) of this chapter); northwest of the seaplane restricted area described in subparagraph (1) of this paragraph; and southwest of the southwest boundary of General Anchorage 9-A (de-

scribed in § 202.224 (a) of this chapter).

(3) *The regulations.* (i) Except as provided in subdivision (ii) of this subparagraph, no surface watercraft shall be operated or anchored in the seaplane restricted area except those attendant upon seaplane operations of the United States Navy or such other watercraft as have been given specific permission by the enforcing agency.

(ii) Surface watercraft may pass through the northerly part of the seaplane restricted area in a channel-way 800 feet wide adjacent to the southerly side of the breakwater protecting the turning basin at the Naval Air Station, turning at the western end of the breakwater, in a northwesterly direction, and connecting with the channel to the turning basin. Craft navigating this channel-way shall pass directly through and shall obey such verbal instructions regarding passage as may be given from the control tower on the breakwater.

(iii) Vessels entering the take-off zone shall proceed through as necessary without delay. This area shall not be used for such purposes as drills, swinging ship, or other operations which would delay the vessel beyond the time required for normal transit. The enforcing agency may make exceptions to the provisions of this subparagraph if seaplane operations permit.

(iv) The regulations in this paragraph shall be enforced by the Commander, Naval Air Station, Alameda, and such agencies as he may designate.

(f) *San Francisco Bay and Oakland Inner Harbor; restricted areas in vicinity of Naval Air Station, Alameda—*

(1) *The waters of San Francisco Bay within 100 yards of the Naval Air Station, Alameda.*

(i) The waters of the entrance channel to Oakland Inner Harbor (San Antonio Estuary) between the westerly end of the rock wall on the south side of the channel and the easterly boundary of the Naval Air Station.

(2) *The regulations.* (i) No vessel or other craft, except vessels of the United States Government or vessels duly authorized by the Commandant, United States Naval Air Station, Alameda, shall navigate, anchor, or moor in the area described in subparagraph (1) (i) of this paragraph.

(ii) No vessel without special authority from the Commander, Twelfth Coast Guard District, shall lie, anchor, or moor in the area described in subparagraph (1) (i) of this paragraph. Vessels may proceed through the entrance channel in process of ordinary navigation or may moor alongside wharves on the Oakland side of the channel.

(g) *Oakland Harbor in vicinity of Naval Supply Center, Oakland; navigation.* All vessels over 1,000 tons when bound for the Naval Supply Center, Oakland, shall heave to well outside the channel, and wait to be boarded by a Naval Supply Center pilot in order to safeguard outbound vessels. The Naval Supply Center pilot will advise and assist the regular master. Whistle signal for the Naval Supply Center pilot is one long blast and one short blast followed by a pause and three short blasts.

(h) *San Francisco Bay in vicinity of Naval Net Depot, Tiburon; restricted area—*(1) *The area.* Beginning at Bluff Point; thence approximately 53°, 1,300 yards, to California City Lighted Horn Buoy 1; thence approximately 323°, 1,800 yards, to California City Lighted Horn Buoy 3; thence 270°, approximately 3,000 yards, to the shore; and thence southeasterly along the shore to the point of beginning.

(2) *The regulations.* No vessels except those engaged in naval operations shall navigate or anchor in this area without the permission of the Commander, Twelfth Coast Guard District.

(i) *San Francisco Bay in vicinity of Naval Fuel Annex, Molate Point; restricted area—*

(1) *The area.* Bounded by the easterly shore of upper San Francisco Bay and the following lines: Beginning at a point on shore bearing 17°, 800 yards, from "Tree" at Molate Point; thence 270°, 870 yards; thence 180°, 1,100 yards; and thence 123° to the shore.

(2) *The regulations.* Vessels not operating under supervision of the local military or naval authority or public vessels of the United States shall not enter this area except by specific permission of the Commander, Twelfth Coast Guard District.

(j) *Pinole Shoal Channel, San Pablo Bay; use, administration, and navigation.*

(1) The use of Pinole Shoal Channel is reserved for navigation of vessels of greater draft than 20 feet or by towboats with tows drawing more than 20 feet. Vessels operated by either sail or power and tows drawing less than 20 feet are not permitted to use this channel or to cross it at any point between San Pablo Bay Lighted Buoy 5 and San Pablo Bay Lighted Bell Buoy 13.

(2) Vessels permitted to use Pinole Shoal Channel under subparagraph (1) of this paragraph shall proceed through the channel at a reasonable speed so as not to endanger other vessels or interfere with any work which may become necessary in maintaining, surveying, or buoying the channel, and they shall not anchor in the channel, except in cases of emergency such as fog or accident which would render progress unsafe or impossible.

(3) This paragraph shall not be construed as prohibiting any necessary use of the channel by any Government boats while on Government duty, or in emergencies by pilot boats, whether steam or sail, or by police boats, or by the vessels of passenger steamship lines operated on regular schedules.

(k) *San Pablo Bay, Carquinez Strait, and Mare Island Strait in vicinity of U. S. Naval Shipyards, Mare Island; restricted area—*(1) *The area.* The waters of San Pablo Bay, Carquinez Strait, and Mare Island Strait, within 100 yards of the shore of that part of the Navy Yard, Mare Island, south of the causeway between the City of Vallejo and Mare Island and extending continuously therefrom southeasterly, southwesterly, and northwesterly around the Navy Yard to its northwesterly limit on the waters of San Pablo Bay, and the waters within 50 yards of any part of the berthing piers at the Navy Yard.

(2) *The regulations.* No vessel or other craft, except vessels of the United States Government or vessels duly authorized by the Commandant, U. S. Navy Yard, Mare Island, shall navigate, anchor, or moor in this area.

(1) *Carquinez Strait in vicinity of Benicia Arsenal, Benicia; restricted area—(1) The area.* Within 100 yards of the shore or of the wharf at the Benicia Arsenal.

(2) *The regulations.* No vessel or other craft, except vessels of the United States Government or vessels duly authorized by the Commander, Twelfth Coast Guard District, shall enter this area.

(m) *Suisun Bay at Port Chicago; naval magazine restricted area—(1) The area.* Beginning at a point on the shore and on the easterly side of the mouth of a small slough bearing 98° 30', 2,133 yards, from Point Edith Light; thence 340° 30', 400 yards, to the high water shore line of the most southerly of Seal Islands; thence 69° 30', 2,050 yards; thence 83° 30', 866 yards; thence 102° 30', 2,000 yards; thence 98°, 1,365 yards; thence 180°, 400 yards, to the high water shore line; thence following the high water shore line in a general southwestward direction to the point of beginning.

(2) *The regulations.* Vessels not operating under the supervision of the local military or naval authority shall not enter this area except by specific permission of the Commander, Twelfth Coast Guard District.

(n) *San Joaquin River Deep Water Channel between Suisun Bay and the easterly end of the channel at Stockton; use, administration, and navigation—(1) Maximum speed.* The maximum speed for all ocean-going craft shall not exceed 10 miles per hour above the lower end of New York Slough, seven miles per hour above Criminal Point, or five miles per hour while passing any wharf, dock, or moored craft. As used in this subparagraph, the speed of a vessel when navigating with the current shall be its rate of movement in excess of the velocity of the current.

(2) *Passing.* All craft passing other boats, barges, scows, etc., in motion, moored or anchored, shall slow down and take every necessary precaution to avoid damage.

(3) *Right-of-way.* (i) United States dredges, tugs, launches, derrick boats, and similar plant of contractors executing river and harbor improvement work for the United States, and displaying the signals prescribed by the regulations contained in Part 201 of this chapter shall have the right of way and other craft shall exercise special caution to avoid interference with the work on which the plant is engaged. Dredges, whether Federal or contractors' plant, working the channel must, however, take special care to give ocean-going vessels sufficient room for passing, and must lift both spuds and the ladder, and pull clear, if an adequate width of clear channelway cannot otherwise be provided. Ocean-going vessels may show at the masthead a black ball not more than 20

inches in diameter as a signal to the dredge, and may also blow five long blasts of the whistle when within reasonable hearing distance of the dredge, such signal to be followed at the proper time by the passing signal described in the local pilot rules. The dredge shall promptly acknowledge both signals in the usual manner.

(ii) Light-draft vessels when meeting or being overtaken by ocean-going vessels, shall give the right of way to such vessels by making use of the shallow portions of the waterway.

(iii) Rafts and tows must promptly give the channel side demanded upon proper signal by a vessel, and must be handled in such a manner as not to obstruct or interfere with the free use of the waterway by other craft.

(4) *Collisions.* (i) Ocean-going vessels in collision in the channel or turning basin must, if still afloat and in a condition making anchorage necessary, be immediately removed to an approved anchorage ground, or if in such condition that beaching is necessary, they shall be temporarily beached on the northwest side of Mandeville Island or in the Old River.

(ii) Light-draft vessels suffering collision shall be disposed of as directed by the District Engineer, Corps of Engineers, or his authorized representative.

(5) *Wrecks.* In no case following accidents of fire or collision will a vessel be allowed to remain either anchored or grounded in the channel, or beached at any place where it endangers other vessels, while settlement is pending with the underwriters.

(6) *Other laws and regulations.* In all other respects, the existing Federal laws and rules and regulations affecting navigable waters of the United States will govern in this channel.

(7) *Enforcement.* Except as otherwise provided in this paragraph, the Commander, Twelfth Coast Guard District, shall have immediate supervision over the enforcement of the regulations in this paragraph in Suisun Bay, New York Slough, and the San Joaquin River Deep Water Channel.

§ 207.800 *Wrangell Narrows, Alaska; use, administration, and navigation.* * * *

(b) Fish traps. * * * the District Engineer, Alaska District, Corps of Engineers, Anchorage, Alaska.

(c) Tow channel. (1) * * * :
East of Battery Islets:
* * * and Tow Channel Buoy 3 TC.

West of Petersburg:
East of Turn Point Lighted Buoy 36, * * *

(2) * * * the District Engineer, Alaska District, Corps of Engineers, Anchorage, Alaska, * * *

(Sec. 4, 28 Stat. 362, as amended; 32 U. S. C. 1) [Regs. April 28, 1950, 800.2121-ENGWO]

[SEAL] EDWARD F. WITSELL,
Major General, U. S. Army,
The Adjutant General.

[F. R. Doc. 50-4619; Filed, May 29, 1950; 8:49 a. m.]

TITLE 47—TELECOMMUNICATION

Chapter I—Federal Communications Commission

PART I—PRACTICE AND PROCEDURE

ISSUANCE OF SUBPENAS

At a session of the Federal Communications Commission held at its offices in Washington, D. C., on the 23d day of May 1950:

The Commission having under consideration the matter of amending § 1.832 of its rules and regulations so as to clarify the intention of the Commission to permit requests for subpoenas to be made at any time after designation of a matter for hearing, such requests to be made in writing unless made on the record during the course of a hearing, and so as to incorporate therein a provision that requests made for the issuance of subpoenas need not be served upon other parties to a proceeding; and

It appearing, that the proposed amendments of § 1.832 are procedural only in nature and will conduce to the public interest and convenience and to a more prompt dispatch of the Commission's business, and that public notice and procedure for rule making set forth in section 4 (a) of the Administrative Procedure Act is unnecessary; and that for the same reasons this order may be made effective immediately in lieu of the requirements of section 4 (c) of said act; and

It further appearing, that the authority for the adoption of said amendments is contained in sections 4 (i), 303 (r), 309, 310 and 319 of the Communications Act as amended;

It is ordered, That, effective immediately, § 1.832 of Part 1 of the Commission's rules and regulations be amended so as to read as follows:

§ 1.832 *Requests; verification and content.* A subpoena, other than one directed by the Commission on its own initiative, will be issued only upon request in writing, unless such request is made on the record while a hearing is in progress, in which case such request on the record may be accepted in lieu of written request. Any request for a subpoena shall be supported by a showing of the general relevance and materiality of the evidence sought. A request for a subpoena to compel a witness to produce documentary evidence shall be in writing, duly subscribed and verified, and shall specify with particularity the books, papers, and documents desired and the facts expected to be proved thereby. Such requests need not be served upon other parties to the hearing. Prompt notice, including a brief statement of the reasons therefor, will be given of the denial, in whole or in part, of a request for a subpoena.

(Sec. 4, 48 Stat. 1066, as amended; 47 U. S. C. 154)

Released: May 23, 1950.

FEDERAL COMMUNICATIONS
COMMISSION,

[SEAL] T. J. SLOWIE,
Secretary.

[F. R. Doc. 50-4624; Filed, May 29, 1950; 8:50 a. m.]

TITLE 49—TRANSPORTATION**Chapter I—Interstate Commerce Commission**

[Docket No. 3666]

PART 73—REGULATIONS APPLYING TO SHIPPERS**PART 73a—SHIPPING CONTAINER SPECIFICATIONS****MISCELLANEOUS AMENDMENTS**

In the matter of regulations for transportation of explosives and other dangerous articles.

At a session of the Interstate Commerce Commission, Division 3, held at its office in Washington, D. C., on the 18th day of May A. D. 1950.

It appearing, that pursuant to the Transportation of Explosives Act of March 4, 1921 (41 Stat. 1444), sections 831 to 835 of Title 18 of the United States Code approved June 25, 1948, and Part II of the Interstate Commerce Act, as amended, the Commission has heretofore formulated and published certain regulations for the transportation of explosives and other dangerous articles.

It further appearing, that in application received we are asked to amend the aforesaid regulations as set forth in provisions made a part thereof.

It is ordered, That the aforesaid regulations for the transportation of explosives and other dangerous articles be, and they are hereby, amended as follows:

1. In Subpart F—Compressed Gases, § 73.303 (j) (3) note (formerly section 303 (j) (3) note, order April 14, 1949), is amended to read as follows:

NOTE: Because of the present emergency and until December 31, 1950, or further order of the Commission, the requirements of § 73.303 (j) (4) are waived and ICC-3A and 3AA cylinders may be charged with compressed gases, other than liquefied or dissolved gases, to a pressure 10 percent in excess of their marked service pressures.

2. In § 73.303 (q) (1) table (formerly section 303 (q) (1) table, orders September 7, 1944, and February 3, 1948), the following items are canceled:

Kind of gas	Maximum permitted filling density, note 1	Required type of tank car, note 2
(Cancel)		
Butadiene (pressure not exceeding 65 lbs. per sq. in. at 105° F.).	Note 3 only (not including addendum).	ARA - IV and 104, note 15.
Liquefied petroleum gas (pressure not exceeding 65 lbs. per sq. in. at 105° F.).	do.	Do.

3. Section 73.303 (q) (1) note 15 (formerly section 303 (q) (1) note 15, orders March 29, 1944, and January 23, 1950), is canceled.

4. In Shipping Container Specification, § 73a.5B-7 *Note (order April 28, 1950), is amended to read as follows:

*NOTE: Rolling hoops of pliable solid rubber or other material are also authorized when approved as to type and construction by the Bureau of Explosives.

It is further ordered, That the foregoing amendments to the aforesaid regulations shall be effective on May 31, 1950, and that such regulations as herein amended shall thereafter be observed until further order of the Commission.

And it is further ordered, That copies of this order be served upon all parties of record herein, and that notice shall be given to the general public by depositing a copy in the office of the Secretary of the Commission at Washington, D. C., and by filing it with the Director, Division of Federal Register.

(49 Stat. 546, as amended; sec. 835, 62 Stat. 739; 49 U. S. C. 304, 18 U. S. C. Sup., 835)

By the Commission, Division 3.

[SEAL]

W. P. BARTEL,
Secretary.

[P. R. Doc. 50-4627; Filed, May 29, 1950; 8:48 a. m.]

PROPOSED RULE MAKING

DEPARTMENT OF THE TREASURY

Bureau of Internal Revenue

[26 CFR, Part 185]

WAREHOUSING OF DISTILLED SPIRITS

NOTICE OF PROPOSED RULE-MAKING

A notice is hereby given, pursuant to the Administrative Procedure Act, approved June 11, 1946, that the regulations set forth in tentative form below are proposed to be prescribed by the Commissioner of Internal Revenue with the approval of the Secretary of the Treasury. Prior to the final adoption of such regulations, consideration will be given to any data, views, or arguments pertaining thereto which are submitted in writing, in duplicate, to the Commissioner of Internal Revenue, Washington 25, D. C., within the period of 30 days from the date of this notice in the FEDERAL REGISTER. The proposed regulations are to be issued under the authority of sections 2800, 2801, 2802, 2803, 2804, 2806, 2808, 2810, 2823, 2829, 2857, 2866, 2870, 2871, 2872, 2873, 2874, 2875, 2876, 2878, 2879, 2880, 2881, 2882, 2883, 2884, 2885, 2886, 2888, 2891, 2900, 2901, 2903, 2904, 2905, 2908, 2909, 2910, 2912, 2913, 2914, 2915, 3031, 3033, 3170, 3171, 3172, 3173, 3175, 3176, 3250, 3254, 3300, 3301, 3331, 3351, 3361, 3601, 3640, 3656, 3809, 3953, 4017, 4041, Internal Revenue Code (26 U. S. C., 2800, 2801, 2802, 2803, 2804, 2806, 2808, 2810, 2823, 2829, 2857, 2866, 2870, 2871, 2872, 2873, 2874, 2875, 2876, 2878, 2879, 2880, 2881, 2882, 2883, 2884, 2885, 2886, 2888, 2891, 2900, 2901, 2903, 2904, 2905, 2908, 2909, 2910, 2912, 2913, 2914, 2915, 3031, 3033, 3170, 3171, 3172, 3173, 3175, 3176, 3250, 3254, 3300, 3301, 3331, 3351, 3361, 3601, 3640, 3656, 3809, 3953, 4017, and 4041); section 161, R. S. (5 U. S. C. 22); section 1320, 40 Stat. 1148, as amended (6 U. S. C. 15); section 505, 49 Stat. 1965 (27 U. S. C. 205); section 6, 49 Stat. 985 (27 U. S. C. 206); and section 309, Tariff Act of 1930 (19 U. S. C. 1309).

[SEAL] GEO. J. SCHOENEMAN,
Commissioner of Internal Revenue.

[Regulations 10]

PART 185—WAREHOUSING OF DISTILLED SPIRITS

1. The act of February 21, 1950 (Pub. Law 448, 81st Cong.), amending the Internal Revenue Code, provides as follows:

That section 2800 (a) (1) of the Internal Revenue Code is amended by the addition of two paragraphs designated "(A)" and "(B)" to read as follows:

"(A) *Payment of tax as to domestic spirits.* The tax on distilled spirits produced in the United States, to be paid upon withdrawal from bond, and the tax on rectified spirits produced in the United States, shall be paid by stamp, under such rules and regulations, permits, bonds, records, and returns, and with the use of such tax-stamp machines or other devices and apparatus, including but not limited to storage, gaging, and bottling

tanks and pipe lines, as the Commissioner with the approval of the Secretary shall prescribe.

"(B) *Penalties.* Whoever manufactures, procures, possesses, uses, or tampers with a tax-stamp machine which may be required under this section with intent to evade the internal-revenue tax imposed upon distilled spirits and rectified spirits, and whoever, with intent to defraud, makes, alters, simulates, or counterfeits any stamp of the character imprinted by such stamp machines, or who procures, possesses, uses, or sells any forged, altered, counterfeited, or simulated tax stamp, or any plate, die, or device intended for use in forging, altering, counterfeiting, or simulating any such stamps, or who otherwise violates the provisions of this section, or the regulations issued pursuant thereto, shall pay a penalty of \$5,000 and shall be fined not more than \$10,000 or be imprisoned not more than five years, or both, and any machine, device, equipment, or materials used in violation of this section shall be forfeited to the United States and after condemnation shall be destroyed. But this provision shall not exclude any other penalty or forfeiture provided by law.

SEC. 2. Section 2877 (a) of the Internal Revenue Code is amended to read as follows:

"(a) *Requirement.* The storekeeper-gauger assigned to any distillery shall, in addition to all other duties required to be performed by him, keep such records and submit such reports as the Commissioner, with the approval of the Secretary, shall, by regulations, prescribe."

SEC. 3. Section 2901 of the Internal Revenue Code, as amended, is amended to read as follows:

"SEC. 2901. LOSS ALLOWANCES—(a) *Extent.* No tax shall be collected in respect of distilled spirits lost or destroyed while in bond, except that such tax shall be collected—

"(1) *Theft.* In the case of loss by theft unless the Commissioner shall find that the theft occurred without connivance, collusion, fraud, or negligence on the part of the distiller, warehouseman, owner, consignee, consignee, bailee, or carrier, or the employees of any of them; and

"(2) *Voluntary destruction.* In the case of voluntary destruction unless the distilled spirits were unfit for use for beverage purposes and the distiller, warehouseman, or other person responsible for the tax, obtained the written permission of the Commissioner for such destruction in each case.

"(b) *Proof of loss.* In any case in which spirits are lost or destroyed, whether by theft or otherwise, the Commissioner may require the distiller or warehouseman or other person responsible for the tax to file a claim for relief from the tax and submit proof as to the cause of such loss. In every case where it appears that the loss was by theft, the burden shall be upon the distiller or warehouseman or other person responsible for the tax to establish to the satisfaction of the Commissioner that such loss did not occur as the result of connivance, collusion, fraud, or negligence on the part of the distiller, warehouseman, owner, consignee, consignee, bailee, or carrier, or the employees of any of them.

"(c) *Refund of tax.* When, in any case where the tax would not be collectible by virtue of subsection (a), but such tax has been paid, the Commissioner shall refund such tax. Nothing in section 2901 as hereby amended, or as heretofore amended, shall be construed to authorize refund of the tax

where the loss occurred after the tax was paid.

"(d) *Insurance coverage.* The abatement or refund of taxes provided for by subsections (a) and (c) in the case of loss of distilled spirits by theft shall only be allowed to the extent that the claimant is not indemnified against or recompensed for such loss.

"(e) *Transfer of duties.* For transfer of powers and duties of Commissioner and his agents, see section 3170."

SEC. 4. Section 2901, as amended by this act, shall apply to any claim for taxes which may accrue after the effective date of this act. Claims for taxes or tax penalties that accrued on or before the effective date of this Act shall be subject to section 2901 of the Internal Revenue Code as it existed prior to its amendment by this Act.

SEC. 5. Section 2903 (a) of the Internal Revenue Code is amended to read as follows:

"(a) *Requirements.* Whenever any distilled spirits deposited in the internal revenue bonded warehouse have been duly entered for withdrawal for bottling in bond before tax payment or for export in bond, such spirits shall be dumped, gaged, bottled, packed, and cased in the manner which the Commissioner, with the approval of the Secretary, shall by regulations prescribe. The bottling of distilled spirits in bond shall be conducted in a separate portion of such warehouse which shall be set apart and used exclusively for that purpose. For convenience in such process any number of packages of spirits of the same kind, differing only in proof, but produced at the same distillery by the same distiller, may be mingled together in a cistern provided for that purpose, but nothing herein shall authorize or permit any mingling of different products, or of the same products of different distilling seasons, or the addition or subtraction of any substance or material or the application of any method or process to alter or change in any way the original condition or character of the product except as herein authorized. The tax on the distilled spirits bottled in bond shall be paid upon the actual quantity of spirits withdrawn from bond except as otherwise provided in section 2901 of the Internal Revenue Code."

SEC. 6. Sections 2844 (a), 2882 (a), 2887, and 2915 (a) of the Internal Revenue Code are amended by striking out the words "of wine gallons and", "wine gallons and", "of gauge or wine gallons and", "and wine", "of gauge or wine gallons", and "gauge or wine gallons, or" wherever they appear in said sections; section 2886 (a) of the said Code is amended by striking out "wine gallons" in the eighth line of the second paragraph thereof; section 2861 (a) of the said Code is amended by striking out the words "an engraved" in the sixth line thereof and substituting therefor the letter "a"; section 2802 is amended by striking out subsections (a), (c), and (d) (1) and by redesignating subsections "(b)", "(d)" and "(e)" as "(a)", "(b)", and "(c)", respectively, and by redesignating paragraphs "(2)" and "(3)" of subsection "(d)" as paragraphs "(1)" and "(2)" of subsection "(b)"; and section 2884 (a) is amended by striking out the word "Whenever" in the first line thereof and substituting therefor the words "Except as may otherwise be required under section 2800 (a) (1) (A), whenever".

SEC. 7. *Repeal clause.* Sections 2906 and 3302 of the Internal Revenue Code and all other laws or parts of laws in conflict herewith are hereby repealed: *Provided, however,* That nothing contained herein shall be con-

strued as repealing any law applying to the collection of taxes imposed on distilled spirits imported into the United States, except alcohol that is imported and deposited in an alcohol bonded warehouse pursuant to section 3125, Internal Revenue Code.

Sec. 8. Section 3112 (b) of the Internal Revenue Code is amended to read as follows:

"(b) *Payment of tax.* The provisions of section 2800 (a) (1) (A) and (B) relating to the tax payment of distilled spirits by stamp and to the penalty and forfeiture provisions applicable to the violations therein set forth shall, so far as applicable, extend to and include the tax payment of alcohol produced in the United States or imported in accordance with the provisions of section 3125."

Sec. 9. Section 2883 of the Internal Revenue Code, as amended, is amended to read as follows:

"SEC. 2883. TRANSFER OF SPIRITS AT REGISTERED DISTILLERIES—(a) *Requirements.* Subject to the provisions of existing law, spirits of one hundred and sixty degrees of proof or more produced at registered distilleries, including registered fruit distilleries (such registered distilleries and registered fruit distilleries being referred to hereafter as 'distillery' or 'distilleries'), may be transferred by means of pipe lines from receiving cisterns in the distillery direct to storage tanks in the internal revenue bonded warehouse located on the bonded premises where produced or located contiguous thereto, and be warehoused in such storage tanks, or they may be withdrawn from the receiving cisterns, without, or after reduction in proof, into approved containers and transferred to any internal revenue bonded warehouse for storage therein, or they may be tax-paid in such approved containers in the cistern rooms of distilleries without being entered into an internal revenue bonded warehouse. Such spirits may be drawn into approved containers from storage tanks in an internal revenue bonded warehouse. Spirits of one hundred and sixty degrees of proof, or more, may be transferred in bond in tank cars from cistern rooms of distilleries or from storage tanks in an internal revenue bonded warehouse and be deposited in storage tanks in any internal revenue bonded warehouse. Such spirits in tanks in internal revenue bonded warehouses distilled at or above one hundred and ninety degrees of proof may be reduced to not less than one hundred and eleven degrees prior to being drawn into packages. Such spirits, upon tax payment, may be withdrawn in approved containers, including pipe lines to contiguous premises, for use for beverage purposes only. Except as provided in subsection (c) hereof and section 2916, such spirits may not be withdrawn for denaturation.

"(b) *Transfer of fortifying spirits.* Fortifying spirits of one hundred and sixty degrees of proof or more may be transferred by pipe line from registered fruit distilleries and receiving cisterns in such distilleries to the fortification rooms of contiguous wineries or to storage tanks in the internal revenue bonded warehouse located on the distillery premises where the spirits were produced, or from such storage tanks to the fortification rooms of contiguous wineries.

"(c) *Transfer of rum for denaturation.* Rum of not less than one hundred and fifty degrees of proof may be transferred by pipe line for denaturation from receiving cisterns in the cistern room of any distillery to a denaturing bonded warehouse on the distillery premises or to storage tanks situated in the internal revenue bonded warehouse located on the distillery premises, or from such storage tanks to a denaturing bonded warehouse on the distillery premises.

"(d) *Transfer of gin.* Gin of any proof may be transferred in bond by means of pipe lines from receiving cisterns in distilleries direct to storage tanks in the internal

revenue bonded warehouse located on the bonded premises where produced, or located contiguous thereto, and be warehoused in such storage tanks. Such gin may, upon tax payment, be transferred by pipe line to a contiguous tax-paid bottling house or rectifying plant.

"(e) *Redistillation of spirits.* Distilled spirits of any proof may be transferred from a distillery or an internal revenue bonded warehouse to any distillery for redistillation upon a showing of the need thereof: *Provided,* That only spirits of one hundred and sixty degrees of proof or more may be transferred by pipe line to a distillery for redistillation from storage tanks in an internal revenue bonded warehouse located on such distillery premises or located contiguous thereto: *Provided further,* That spirits of any proof may be transferred by pipe line for redistillation from receiving tank in a distillery to a contiguous distillery. Upon removal of distilled spirits to any distillery for redistillation, the consignee distiller shall assume the liability for the payment of the tax on the spirits from the time they leave the internal revenue bonded warehouse or distillery, and the tax liability on the producing distiller or the internal revenue bonded warehouseman, and the liens on the premises of the producing distiller shall cease, and the tax and liens shall become the liability of the consignee distiller: *Provided further,* That upon redistillation the redistilled spirits shall be treated the same as if the spirits had been originally produced by the redistiller and all prior obligations as to taxes and liens shall be superseded. Sections 2900 (a) (5) and 3250 (f) (1) shall not apply to the redistillation of spirits removed under the provisions of this section.

"(f) *Regulations.* The Commissioner, with the approval of the Secretary, is hereby empowered to prescribe all necessary regulations relating to the drawing off, transferring, gaging, storing, redistillation, and transportation of the spirits; the records to be kept and returns to be made; the size and kind of containers to be used; the marking, branding, numbering, and stamping of such containers; and the kind of bond and the penal sum thereof.

"(g) *Effect on other laws.* Nothing contained in this section shall be construed as restricting or limiting the provisions of other sections of the internal-revenue laws relating to internal revenue bonded warehouses, distilleries, and bonded wineries.

"(h) *Transfer of duties.* For transfer of powers and duties of Commissioner and his agents, see section 3170."

Sec. 10. *Effective date.* The amendments made by this Act shall become effective on the first day of the first month which begins six months or more after the date of the enactment of this Act.

2. Pursuant to the provisions of sections 2800, 2801, 2802, 2803, 2804, 2806, 2808, 2810, 2823, 2829, 2857, 2866, 2870, 2871, 2872, 2873, 2874, 2875, 2876, 2878, 2879, 2880, 2881, 2882, 2883, 2884, 2885, 2886, 2888, 2891, 2900, 2901, 2903, 2904, 2905, 2908, 2909, 2910, 2912, 2913, 2914, 2915, 3031, 3033, 3170, 3171, 3172, 3173, 3175, 3176, 3250, 3254, 3300, 3301, 3331, 3351, 3361, 3601, 3640, 3656, 3809, 3953, 4017, 4041, Internal Revenue Code, Regulations 10, approved May 20, 1940 (26 CFR Part 185), as amended, are hereby revised for the purpose of:

(a) Conforming to the Act of February 21, 1950 (Public Law 448, 81st Cong.);

(b) Delegating to district supervisors authority to approve bonds and the establishment of internal revenue bonded warehouses;

(c) Incorporating regulations governing the gauging of distilled spirits in internal

revenue bonded warehouse, now contained in the Gauging Manual (26 CFR Part 186), but which are being deleted from the current revision of such manual;

(d) Requiring proprietors of internal revenue bonded warehouses to furnish to the storekeeper-gauger certain basic information on Forms 1520, 1619 and 1620, relative to distilled spirits to be withdrawn;

(e) Incorporating provisions relative to the bottling of distilled spirits in bond, presently contained in Regulations 6 (26 CFR Part 188);

(f) Rearranging the text to conform to the Federal Register Regulations (5 F. R. 1245).

3. These regulations shall, on and after September 1, 1950, supersede Regulations 6 (26 CFR Part 188; 5 F. R. 3793) and Regulations 10 (26 CFR Part 185; 5 F. R. 1953), as amended.

4. These regulations shall not affect or limit any act done or any liability incurred under any regulations superseded hereby, or any suit, action, or proceeding had or commenced in any civil, administrative, or criminal cause and proceeding prior to the effective date of these regulations, nor shall these regulations release, acquit, affect, or limit any offense committed in violation of previously existing regulations, or any penalty, liability or forfeiture incurred prior to such date.

SUBPART A—SCOPE OF REGULATIONS

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185.7	Approved containers.
185.8	Bonded warehouse or warehouse.
185.9	Bottling-in-bond department.
185.10	Brandy.
185.11	Carrier.
185.12	Collector.
185.13	Commissioner.
185.14	Distilled spirits.
185.15	Distiller.
185.16	Distilling season and bottling season.
185.17	District supervisor or supervisor.
185.18	Domestic strip stamps.
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185.20	Fruit distillery.
185.21	Gallon.
185.22	In bond.
185.23	Including.
185.24	Inclusive language.
185.25	Internal revenue bonded warehouse.
185.26	I. R. C.
185.27	Person, proprietor, or warehouseman.
185.28	Proof.
185.29	Proof gallon.
185.30	Proof spirits.
185.31	Proprietor.
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185.33	Secretary.
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185.51	Warehouse buildings.
185.52	Capacity of warehouse.
185.53	Means of ingress and egress.
185.54	Foundations.
185.55	Floors.
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185.63 Windows more than 12 feet from ground.
185.64 Set in casement.
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185.74 Quick-aging room.
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185.77 Other rooms.
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- 185.100 Posting of sign.

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- 185.105 Construction.
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- 185.110 Scales.
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185.112 Gauging tank.
185.113 Test weights.
185.114 Testing gauging and storage tank scales.
185.115 Accuracy of scales.
185.116 Storage tanks.
185.117 Storage tanks outside warehouse building.
185.118 Brandy-blending tanks.
185.119 Tanks in bottling-in-bond department.
185.120 Gravity tanks.
185.121 Distilled water tanks.
185.122 Water stills.
185.123 Pipe lines.
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185.125 Securing pipe lines.
185.126 Hydrometers.
185.127 Details of construction and equipment.
185.128 Warehouses heretofore established.

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- 185.150 Application, Form 27-D.
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185.153 Description of premises.
185.154 Capacity.
185.155 Necessity for establishment.
185.156 Amended and supplemental applications.
185.157 Corporate documents.
185.158 List of stockholders.
185.159 Affidavit.
185.160 Articles of copartnership or association.
185.161 Trade name certificate.
185.162 Power of attorney, Form 1534.
185.163 Execution of power of attorney.
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185.196 Description of real property.
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185.199 Appraisal.
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185.201 Requalification.
185.202 Interest in business.
185.203 Deposit of collateral.
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- 185.240 Change in name.
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SUBPART K—REQUIREMENTS GOVERNING ALTERNATE OPERATIONS OF BOTTLING IN BOND DEPARTMENT AS TAXPAID BOTTLING HOUSE

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185.271 Approval required before resumption.
185.272 Suspension procedure.
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- 185.280 General.

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- 185.285 Disposition of spirits.
185.286 Disposition of indicia bottles.
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- 185.330 Review of documents.
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- 185.335 Transportation and warehousing bonds.
185.336 Direct export bonds.
185.337 Transportation for export bonds.
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- 185.350 Control of warehouse.
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185.352 Examination of warehouse.
185.353 Custody of warehouse.
185.354 Warehouse to be kept locked.
185.355 Admittance of proprietor.
185.356 Operations requiring immediate supervision.
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- 185.365 In warehouse on distillery premises.
185.366 In warehouse contiguous to distillery premises.
185.367 In any warehouse.
185.368 Supervision of pipe line transfers.
185.369 Tank car transfers for deposit in storage tanks.
185.370 Custody of keys.
185.371 Marking of tanks.
185.372 Prohibited mingling in storage tanks.
185.373 Limitation on deposits in same tank.

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- 185.374 From distillery on same or contiguous premises.

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185.375 From distillery not on same or contiguous premises or from another warehouse.
185.376 Examination of packages.
185.377 Examination of tank car.
185.378 Examination and deposit of cases.
185.379 Disposition of deposit forms.

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- 185.380 Storekeeper-gauger to be informed.

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- 185.381 Storekeeper-gauger's copies of deposit forms.
185.382 Forms 1513 and 1621.
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- 185.390 Kind of containers.

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- 185.391 Containers to be accessible.
185.392 Storage in tank cars.
185.393 Failure to properly store spirits.
185.394 Facilities for examination.
185.395 Facilities for gauging.
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- 185.397 Gauging.
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185.399 Marking and branding packages filled from storage tanks.
185.400 Report of gauge, Form 1520.
185.401 Numbering of packages.
185.402 Determining date of original entry.

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- 185.403 To prevent loss by leakage.
185.404 For exportation.
185.405 To change kind of cooperage.
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185.407 Marking new packages.

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185.409 Canceling of labels forbidden.
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- 185.411 Approval of apparatus and process required.
185.412 Introducing heating device into package.
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185.416 When tax is due and payable.
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- 185.420 Gauge.
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STAMPING UNDERPROOF SPIRITS SOLD ON DISTRAINT

- 185.423 Issuance of taxpaid stamps.
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- 185.426 Procedure.

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- 185.427 To be removed or locked up when not in use.

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185.452 Eligibility for blending.
185.453 Copy of agreement to be filed with district supervisor.
185.454 Action by district supervisor.
185.455 Action by storekeeper-gauger.
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185.457 Record to be made by district supervisor.
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185.461 Brandies previously blended.
185.462 Blending of different types or productions.
185.463 Evidence of affiliation or association.
185.464 Bond coverage.
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185.467 Verification of Forms 1520.
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185.471 Disposition of empty packages.
185.472 Drawing off brandies.
185.473 Gauging of blended brandy.
185.474 Numbering of packages.
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185.485 Other losses.
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185.491 Examination of claim.
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- 185.520 Procedure.
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- 185.533 Number, size, and use.

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185.534 Limitation on number, size, and use of samples of distilled spirits other than brandy or fruit spirits.
185.535 Disposition of samples.

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185.569 Use of scales.
185.570 Weighing packages.
185.571 Proofing of spirits.
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- 185.582 Addition of oak chips.
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 185.627 Procurement of wholesale liquor dealer stamps.
 185.628 Refilling, gauging, and marking packages of taxpaid spirits drawn from a gauging tank.
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AUTHORITY: §§ 185.1 to 185.1070, except §§ 185.151 and 185.1010, issued under section 3176, Internal Revenue Code. Citations of

more specific authority and citations of statutory provisions interpreted or applied are included in parentheses at the end of particular sections.

SUBPART A—SCOPE OF REGULATIONS

§ 185.1 *Warehousing and withdrawal of spirits.* These regulations, "Regulations 10, Warehousing of Distilled Spirits" (26 CFR Part 185), contain the procedural and substantive requirements relative to the warehousing of distilled spirits (other than alcohol), and the bottling in bond, tax payment and withdrawal thereof from internal revenue bonded warehouses. The regulations cover the location, construction, equipment, qualifying documents; requirements governing changes in name, proprietorship, premises and equipment, and in the title to the warehouse property; action by the district supervisor and Commissioner; control, custody, and supervision of the warehouse; deposit of spirits in warehouse; losses of spirits in warehouse or in transit thereto; withdrawal of distilled spirits from warehouse for taxpaid or tax-free purposes; bottling of spirits in bond; alternate operations of bottling-in-bond department as taxpaid bottling house; transfers in bond between internal revenue bonded warehouses; exportation and shipment of distilled spirits; and records and reports of distilled spirits deposited, stored, bottled in bond, and withdrawn from internal revenue bonded warehouse.

SUBPART B—DEFINITIONS

§ 185.5 *Meaning of terms.* As used in this part, unless the context otherwise requires, terms shall have the meanings ascribed in this subpart.

§ 185.6 *Alcohol.* "Alcohol" shall mean spirits produced at industrial alcohol plants established and operated under sections 3100 to 3124 of the Internal Revenue Code (26 U. S. C.).

§ 185.7 *Approved containers.* "Approved containers" shall mean casks, barrels, or similar wooden packages, or drums or similar metal packages, having a capacity of not less than 10 gallons each, provided that for the withdrawal of samples for laboratory purposes, "approved containers" shall mean any container of less than 10 gallons capacity. The term "approved containers" shall also mean railroad tank cars and pipe lines when specifically stated in this part.

§ 185.8 *Bonded warehouse or warehouse.* "Bonded warehouse" or "warehouse" shall mean an internal revenue bonded warehouse as defined in this subpart.

§ 185.9 *Bottling-in-bond department.* "Bottling-in-bond department" shall mean that portion of an internal revenue bonded warehouse set aside for the purpose of bottling distilled spirits (other than alcohol) in bond in accordance with the provisions of this part, and may consist of one or more bottling rooms.

§ 185.10 *Brandy.* "Brandy," as used in the provisions of this part relating to the withdrawal of spirits for the fortification of wine, shall mean brandies,

neutral brandies, neutral spirits—fruit, and spirits—fruit, eligible for such use.

§ 185.11 *Carrier.* "Carrier" shall mean any person, company, corporation, or organization, including a distiller, warehouseman, owner, consignor, consignee, or bailee, who transports distilled spirits in any manner for himself or others.

§ 185.12 *Collector.* "Collector" shall mean collector of internal revenue.

§ 185.13 *Commissioner.* "Commissioner" shall mean the Commissioner of Internal Revenue.

§ 185.14 *Distilled spirits.* "Distilled spirits" shall mean that substance produced by the distillation of fermented grain, molasses, fruit, or other materials, commonly known as spirits, whisky, brandy, rum, gin, etc., but shall not include alcohol.

§ 185.15 *Distiller.* "Distiller" shall mean the proprietor of a registered distillery or fruit distillery.

§ 185.16 *Distilling season and bottling season.* "Distilling season" and "bottling season" shall mean and be designated as spring or fall, and the spring season shall include the months from January to June, and the fall season the months from July to December.

§ 185.17 *District supervisor or supervisor.* "District supervisor" or "supervisor" shall mean the person having charge of a supervisory district of the Alcohol Tax Unit of the Bureau of Internal Revenue.

§ 185.18 *Domestic strip stamps.* "Domestic strip stamps" shall mean the bottle stamps prescribed under authority of section 2903, I. R. C., for spirits bottled in bond.

§ 185.19 *Export strip stamps.* "Export strip stamps" shall mean the bottle stamps prescribed under authority of section 2905, I. R. C., for spirits bottled in bond for export.

§ 185.20 *Fruit distillery.* "Fruit distillery" shall mean a distillery established or operated under the provisions of Regulations 5 (26 CFR Part 184), governing the production of brandy under the exemptions from law provided pursuant to section 2825, I. R. C.

§ 185.21 *Gallon.* "Gallon" or "wine gallon" shall mean a United States gallon of liquid measure of 231 cubic inches. (Secs. 2803, 2871, I. R. C.)

§ 185.22 *In bond.* "In bond," as applied to distilled spirits shall mean untaxpaid distilled spirits possessed under bond on the premises of an internal revenue bonded warehouse, or in transit to such premises from another internal revenue bonded warehouse or from a registered distillery or fruit distillery, or while in transit in other circumstances prior to delivery of the spirits to an authorized consignee.

§ 185.23 *Including.* The word "including" shall not be deemed to exclude things other than those enumerated which are in the same general class.

§ 185.24 *Inclusive language.* Words in the plural shall include the singular, and vice versa, and words in the masculine gender shall include females, associations, copartnerships, and corporations.

§ 185.25 *Internal revenue bonded warehouse.* "Internal revenue bonded warehouse" shall mean a bonded warehouse established or operated under the provisions of this part for the storage of distilled spirits (other than alcohol) on which the tax has not been paid.

§ 185.26 *I. R. C.* "I. R. C." shall mean the Internal Revenue Code.

§ 185.27 *Person, proprietor, or warehouseman.* "Person, proprietor, or warehouseman" shall include natural persons, associations, copartnerships, and corporations.

§ 185.28 *Proof.* "Proof" shall mean the ethyl alcohol content of a liquid at 60 degrees Fahrenheit, stated as twice the per cent of ethyl alcohol by volume.

§ 185.29 *Proof gallon.* "Proof gallon" shall mean the alcoholic equivalent of a United States gallon of 231 cubic inches at 60 degrees Fahrenheit, containing 50 per cent of ethyl alcohol by volume.

§ 185.30 *Proof spirits.* "Proof spirits" shall mean that alcoholic liquor which contains 50 per cent of ethyl alcohol by volume at 60 degrees Fahrenheit and which has a specific gravity of 0.93418 in air at 60 degrees Fahrenheit referred to water at 60 degrees Fahrenheit as unity.

(Secs. 2803, 2809, 2871, I. R. C.)

§ 185.31 *Proprietor.* "Proprietor" shall mean the operator of the internal revenue bonded warehouse, unless otherwise indicated.

§ 185.32 *Registered distillery.* "Registered distillery" shall mean a distillery established and operated under the provisions of Regulations 4 (26 CFR Part 183).

§ 185.33 *Secretary.* "Secretary" shall mean the Secretary of the Treasury.

§ 185.34 *Spirits.* "Spirits" shall mean distilled spirits as defined in this part.

§ 185.35 *Tank car.* "Tank car" shall mean a railroad tank car conforming to the requirements of this part.

§ 185.36 *Tax gallon.* "Tax gallon" is the unit of distilled spirits upon which the rate of tax prescribed by section 2800, I. R. C., is imposed. When spirits are 100 degrees or more of proof, the tax rate is imposed on the proof gallon. When spirits are less than 100 degrees of proof, it is imposed on the wine gallon.

SUBPART C—LOCATION AND CONSTRUCTION

§ 185.50 *Location restrictions.* Internal revenue bonded warehouses may not be located in any dwelling house, and if under the same roof or in the same building in which is located a rectifying plant or taxpaid bottling house, the two premises must not have means of communication with each other within the building: *Provided*, That where an internal revenue bonded warehouse has heretofore been established in the same build-

ing with a rectifying plant or a taxpaid bottling house with interior communication between the two premises, it may continue to operate in such location if the revenue will not be jeopardized thereby: *Provided further*, That when the bottling-in-bond department is operated temporarily as a taxpaid bottling house, communication between the two premises within the building may continue. Internal revenue bonded warehouses other than those situated upon or contiguous to the premises of a distillery shall be located in important cities or at important shipping points or other places where need for the establishment of the warehouse is clearly shown, as provided in § 185.155. The location must be such that adequate transportation facilities will be available.

(Secs. 2872, 2873, I. R. C.)

§ 185.51 *Warehouse buildings.* The buildings or rooms constituting an internal revenue bonded warehouse must be securely constructed of brick, stone, wood, concrete, or other substantial material, and must be completely separated from contiguous buildings or rooms by solid, unbroken walls or partitions of substantial construction: *Provided*, That necessary openings may be permitted in such walls or partitions for the passage of approved pipe lines and conduits, as provided in § 185.71, and where a bottling-in-bond department is provided and adjoins the storage portion of the warehouse not more than two doors may be permitted in the wall or partition separating such bottling department from the storage portion of the warehouse, subject to the provisions of § 185.72, or where the warehouse is located on the premises of a fruit distillery and is contiguous to the distilling building or room and operated by the proprietor of the distillery, a door may be permitted in the wall or partition separating the warehouse from such building or room, as provided in the regulations governing the production of brandy (26 CFR Part 184). No door, window, or similar opening shall be made or permitted in the walls of a bonded warehouse leading into a distillery or into any other room or building, except as provided in this section. Where warehouse buildings are located on the premises of a registered distillery, the walls or partitions separating such warehouse buildings from contiguous buildings not located on the distillery premises must extend from the ground to the roof in a direct vertical line. The foundations, floors, walls, and roofs, and the doors, windows, and other openings of warehouse buildings shall be constructed and such doors, windows, and other openings shall be protected and secured as hereinafter provided. The design and construction of the warehouse must be such as to insure economical supervision by Government officers.

§ 185.52 *Capacity of warehouse.* Internal revenue bonded warehouses, other than those situated on or contiguous to distillery premises and operated by the distiller (not including lessee distillers), must have a capacity commensurate with the prospective needs of the area or locality in which they are situated and,

in any event, sufficient for not less than 10,000 barrels or the equivalent thereof in tank or case storage capacity. Where the distiller has a warehouse on or contiguous to the distillery premises, and desires the establishment of a second warehouse, the capacity of such second warehouse must likewise be not less than 10,000 barrels or the equivalent thereof in tank or case storage capacity, except that where the second warehouse is to be established on premises contiguous to, or near, the first warehouse and the necessity for the establishment thereof is due to lack of storage space in the first warehouse and it is impracticable to expand the same, such minimum storage requirements shall not be applicable.

(Secs. 2825, 2872, 2873, I. R. C.)

§ 185.53 *Means of ingress and egress.* The doors of an internal revenue bonded warehouse must lead into a public street or into the yard connected with the warehouse, or into the distillery yard if the warehouse is located on or contiguous to a distillery premises: *Provided*, That where the warehouse consists of a room or floor of a building, the door thereof may open into an elevator shaft or common passageway partitioned off from other businesses and leading either directly or through another elevator shaft or similar passageway to the street or yard: *Provided further*, That where the warehouse is located on the premises of a fruit distillery and is contiguous to the distilling building or room and is operated by the proprietor of the distillery, a door may be permitted in the wall separating the warehouse from the distillery, as provided in Regulations 5 (26 CFR Part 184). Where the door of the warehouse opens into a common passageway, as provided in this section, the partitions forming the common passageway shall be substantially constructed of solid materials or expanded metal or woven wire of not less than 9 gauge nor more than 2-inch mesh, and shall extend from the floor to the ceiling or roof, but doors may be provided therein if they do not permit interior communication with a rectifying plant or taxpaid bottling house in the same building.

(Secs. 2825, 2872, 2873, I. R. C.)

§ 185.54 *Foundations.* The foundations of warehouse buildings must be constructed of stone, brick, or concrete or other equally substantial material, extending into the ground. These provisions respecting the foundations shall not, however, be applicable where the warehouse consists of a room or rooms situated above the first floor of the building.

(Sec. 2873, I. R. C.)

§ 185.55 *Floors.* The warehouse buildings must have suitable ground floors constructed of wood, concrete, brick, or other equally substantial material. If the warehouse consists of a room or floor situated above the ground or first floor of the building, the first warehouse floor must be so constructed.

(Sec. 2873, I. R. C.)

§ 185.56 *Walls.* The walls of warehouse buildings or rooms must be securely

and substantially constructed. If wood, corrugated iron, or tin is used, the same must be applied over solid sheathing for the first 12 feet of height, and over solid sheathing, or sheathing spaced not greater than 12 inches from board to board, for the remaining height. Where substantial sheet metal is used, and the sheets are welded together in such a manner as to constitute a solid wall, sheathing, if used, may be applied in any manner desired.

(Sec. 2873, I. R. C.)

§ 185.57 *Roofs.* The roofs of warehouse buildings must be securely and substantially constructed. Where corrugated iron or tin is used, the same must be applied over sheathing spaced not greater than 12 inches from board to board. Where substantial sheet metal is used, and the sheets are welded together in such a manner as to constitute a solid roof, sheathing, if used, may be applied in any manner desired.

(Sec. 2873, I. R. C.)

§ 185.58 *Doors.* The warehouse must have no more doors than are necessary for the proper and convenient conduct of the business. The outside doors and any inside doors on which Government locks are required must be securely constructed of heavy timber or iron or other equally substantial material. The hinges of the doors must be secured by roundheaded or carriage bolts, nutted and riveted or battered on the inside. Hinges that cannot be thus secured must be inaccessible from the outside and so attached that they cannot be removed when the door is closed. The outside doors, and inside doors on which Government locks are required, must be equipped with hasp and staple securely fastened on the inside so that they may be secured with Government locks. The entrance door to the warehouse and the entrance door to the bottling-in-bond department must be secured on the outside with a Government seal lock. All other doors required to be locked must be secured on the inside with a Government lock and a cross bar in the middle of the door. Where there are double doors, one of them at least must be provided with substantial bolts at both the top and the bottom. These bolts must be so arranged as to plunge into substantial fastenings or holes in the middle of the upper and lower ends of the frame when the door is closed. Folding doors of wood or metal, vertical or horizontal sliding doors of wood or metal, and metal doors of the roller blind type, must be provided with substantial cross bars, or bolts that plunge into the upper and lower ends or the sides of the door frame, so placed as to make the door rigid and secure, unless the doors operate in grooves or tracks that make them secure.

(Sec. 2873, I. R. C.)

§ 185.59 *Windows.* The windows of the buildings or rooms constituting the warehouse must be constructed and secured as outlined in §§ 185.60 to 185.67.

§ 185.60 *Windows within 12 feet of ground, etc.* All windows located within 12 feet of the ground, or within 12 feet (a) above a fire escape (except as pro-

vided in § 185.61), (b) above a roof, set back, or balcony within 12 feet of the ground, (c) above a roof or balcony of an adjoining building, or (d) of a roof, window, or other opening of an opposite building, must conform to the following requirements:

(1) *Wood sash.* Windows consisting of plain or wire glass panes set in wood sash must be protected by iron bars and solid shutters;

(2) *Steel sash.* Windows consisting of wire glass panes not larger than 6 by 10 inches, set in metal sash must be protected by iron bars;

(3) *Detention type.* Windows may be of the detention type, consisting of solid steel frame, sash, and grille (over the ventilating portion), combined in one unit and erected in one piece, equipped with wire glass panes not larger than 6 by 10 inches.

(Sec. 2873, I. R. C.)

§ 185.61 *Opening onto fire escape.* Windows opening onto a fire escape shall be protected by solid metal shutters, securely hinged and equipped with facilities for locking on the inside with a Government lock. Iron bars will not be required on such windows.

(Sec. 2873, I. R. C.)

§ 185.62 *Extension of requirements.* The Commissioner or district supervisor may require any other windows to be protected by iron bars or shutters, or both, when deemed necessary to safeguard the spirits.

(Sec. 2873, I. R. C.)

§ 185.63 *Windows more than 12 feet from ground.* All windows more than 12 feet from the ground and not subject to the provisions of §§ 185.60 and 185.61 must be securely constructed and so arranged and equipped that they may be securely fastened on the inside.

(Sec. 2873, I. R. C.)

§ 185.64 *Set in casement.* All windows must be securely set into the window casement in such a manner as to prevent removal.

(Sec. 2873, I. R. C.)

§ 185.65 *Sash locks.* All window sashes must be provided with sash locks or other suitable fasteners.

(Sec. 2873, I. R. C.)

§ 185.66 *Shutters.* The shutters must be solid and substantially constructed of metal or wood, and must be fastened inside of the room or building and so secured that they cannot be opened from the outside.

(Sec. 2873, I. R. C.)

§ 185.67 *Iron bars.* The iron bars must be not less than three-fourths of an inch in diameter, placed perpendicularly in the windows or walls, not more than 5 inches apart from center to center, and reinforced by iron cross bars not more than 36 inches apart. All bars and cross bars must be securely fastened to the window frames or embedded in the walls in such a manner as to prevent their removal and to afford proper security.

(Sec. 2873, I. R. C.)

§ 185.68 *Skylights, monitors, pent-houses, etc.* Skylights, monitors, pent-houses, and similar openings will be regarded as windows and treated as such, except that shutters will not be required.

(Sec. 2873, I. R. C.)

§ 185.69 *Ventilators.* Small openings in outside walls of warehouse buildings and in the ground floors and the roofs thereof for ventilation or heating purposes will be permitted, provided they are protected by substantial metal gratings not lighter than No. 6 gauge and having openings not larger than one-half inch, securely attached to or embedded in the floor, wall, or roof. Where such openings are larger than 6 by 6 inches they shall be further protected by iron bars. Such openings will not be permitted in the walls or floors which separate the storage portion of the warehouse from contiguous rooms or buildings.

(Sec. 2873, I. R. C.)

§ 185.70 *Drains.* Openings in floors (except floors separating the warehouse from other premises) will be permitted for drainage or sewage, provided they are permanently connected to the sewer system and protected in the same manner as ventilators.

(Sec. 2873, I. R. C.)

§ 185.71 *Other openings.* Necessary openings may be permitted in the walls, partitions, or floors of warehouse buildings or rooms for the passage of steam, water, electric, sewer, or similar lines and approved spirits lines.

(Secs. 2800, 2873, I. R. C.)

§ 185.72 *Bottling-in-bond department.* Where the proprietor of an internal revenue bonded warehouse desires to bottle distilled spirits in bond he must set apart a portion of the warehouse for such purpose. Such portion of the premises shall be known as the bottling-in-bond department and shall be used exclusively for the purpose of bottling distilled spirits (other than alcohol) in bond for domestic use or for exportation in accordance with this part. The building or room comprising the department must be so constructed and equipped as to be suitable for the bottling of distilled spirits in bond and to insure efficient and economical supervision by Government officers. No door, window, or other opening into another room or building will be permitted: *Provided*, That necessary openings may be permitted in the walls or partitions separating a bottling-in-bond department from the storage portion of the warehouse for the passage of steam, water, electric, sewer, or similar lines and for the passage of approved pipe lines for the conveyance of spirits from gauging tanks located in the warehouse: *And provided further*, That not more than two doors may be permitted in the wall or partition separating the bottling-in-bond department from the storage portion of the warehouse, to be used exclusively for the purpose of transferring spirits to the bottling-in-bond department and return of the bottled product for storage. Communicating doors must be equipped for locking with Government locks on the storage

side of the warehouse and must be kept locked except while actually being used for the transfer of spirits. If the bottling-in-bond department is temporarily eliminated from the premises, the communicating doors will be closed and kept locked on the storage side of the warehouse. If the bottling-in-bond department is permanently eliminated from the premises in order that it may be operated as a tax-paid bottling house, or for any other purpose, the doors in the wall separating such rooms or building from the warehouse must be eliminated and the openings permanently boarded or bricked up in such manner as to provide a solid unbroken wall.

(Secs. 2873, 2903, 2904, I. R. C.)

§ 185.73 *Bottling-in-bond department having more than one bottling room.* Two or more contiguous bottling rooms with separate bottling equipment for each room may be provided, and each such bottling room may, in accordance with the limitations set out in § 185.904, be operated simultaneously with, and independent of, the other bottling rooms. A bottling-in-bond department having more than one bottling room, as herein provided, will be regarded as a single bottling-in-bond department. A "bottling room" shall consist of a complete set of bottling equipment separated from another such set by a partition constructed of expanded metal or woven wire of not less than 9 gauge nor more than 2-inch mesh, and shall extend from the floor to the ceiling or roof. A door or other necessary opening will be permitted in such partitions at such point as will permit adequate supervision of the spirits being bottled in the different rooms. Such rooms shall be designated alphabetically, such as "Bottling Room A," "Bottling Room B," etc.

(Secs. 2873, 2904, I. R. C.)

§ 185.74 *Quick-aging room.* Where spirits are to be quick-aged in an internal revenue bonded warehouse by the introduction of a steam pipe or other heating device into the package, a separate room or building to be used exclusively for such purpose should be provided, with separate means of ingress and egress conforming to § 185.53. If a separate building is provided, the construction thereof must conform to the requirements of §§ 185.51 to 185.71. Where spirits are to be quick-aged by the general application of heat within the warehouse, the proprietor must provide a suitable, separate room which shall not be exposed or subjected to excessive heat for the use of Government officers in performing their duties in connection with the receipt and withdrawal of spirits. A sign must be placed over the entrance door of the quick-aging room bearing the words "Quick-Aging Room."

(Sec. 2873, I. R. C.)

§ 185.75 *Gauging Room.* A separate building, room, or section of the warehouse must be provided for gauging spirits, the construction of which must conform to the requirements of §§ 185.51-185.71. Each gauging room must be of sufficient dimensions to per-

mit the work of gauging and related operations to be accomplished efficiently and expeditiously, and shall be provided with necessary office facilities for use of the Government officer in preparing gauge reports; scales for weighing individual packages; and facilities for marking, branding and stamping individual packages. Gauging rooms must be well heated, ventilated, and equipped with permanently installed lighting facilities, properly spaced throughout the room or building, and of sufficient intensity for the efficient performance of gauging duties and supervision of all activities in the gauging room without the aid of auxiliary or outside lights. A sign must be placed over the entrance door of the room or building bearing the words "Gauging Room." Where gauging tanks are provided the construction and installation thereof must conform to the requirements of § 185.112, and the number and capacity of such tanks shall be commensurate with the type and volume of operations conducted.

(Sections 2800, 2873, I. R. C.)

§ 185.76 *Brandy-blending department*—(a) *Construction*. Where brandies are to be mixed or blended in an internal revenue bonded warehouse, under the provisions of section 2801 (e) (5), I. R. C., for the sole purpose of perfecting such brandies according to commercial standards, a separate room or building, constituting a part of the internal revenue bonded warehouse, must be provided for that purpose. Such room or building shall be known as the brandy-blending department and must be constructed in accordance with the provisions of §§ 185.51 to 185.71. The brandy-blending department must be completely separated from contiguous rooms or buildings by solid unbroken partitions and floors of substantial construction. Such partitions shall extend from the ground to the roof or from the floor to the ceiling, if a room is used, and if the brandy-blending department is under the same roof, or in the same building in which is located a rectifying plant, or taxpaid bottling house, the two premises must not have any means of communication with each other within the building. No door, window, or other opening into another room or building of the warehouse will be permitted: *Provided*, That not more than two doors may be permitted in the wall or partition separating the brandy-blending department from the storage portion of the warehouse to be used exclusively for the purpose of transferring brandy between the brandy-blending department and the storage portion of the warehouse. The communicating doors must be equipped for locking with Government locks on the storage side of the warehouse and must be kept locked except while brandy is being transferred between the brandy-blending department and the storage portion of the warehouse.

(b) *Equipment*. The brandy-blending department must be equipped with a requisite number of suitable tanks in which to blend brandies, scales for weighing packages, facilities for dumping packages, facilities for filling, marking and branding packages, and a desk

and cabinet for use of the Government officer. The room or building must be well lighted, heated, and of sufficient dimensions to permit the work of dumping, filling, gauging, marking, and branding packages efficiently and expeditiously.

(c) *Lighting facilities*. Lighting facilities must be permanently installed and spaced throughout the room or building to permit supervision of the entire premises and must be of sufficient power to permit efficient performance of gauging duties without the aid of auxiliary lights or outside light.

(d) *Sign*. A sign, bearing the words "Brandy-Blending Department," shall be placed over the entrance door of the room or building.

(e) *Other uses of department*. Where brandy-blending operations have been discontinued and all brandies have been removed from the brandy-blending department the locks on the doors connecting the brandy-blending department with the storage portion of the warehouse may be removed and the brandy-blending department used for any other authorized warehouse purpose as provided in § 185.459.

(Secs. 2801, 2873, I. R. C.)

§ 185.77 *Other rooms*. Where a bottling-in-bond department is established, separate rooms may be provided therein for the dumping, reducing, and bottling of distilled spirits. Such rooms shall be appropriately designated, such as "Dumping Room," "Reducing Room," "Bottling Room," etc.

(Secs. 2873, 2904, I. R. C.)

§ 185.78 *Empty package storeroom*. If empty packages (barrels) are to be stored on the warehouse premises, a separate room or building must be provided for such purpose. If a separate room is provided within the warehouse and such room has interior doors communicating with the storage portion of the warehouse, such doors must be equipped for locking with Government locks on the warehouse side and be kept locked at all times except when in actual use. The room or building provided for the storage of empty packages may be used for general cooperative purposes. A sign bearing the words "Empty Package Storeroom" must be placed over the entrance door of the empty package storeroom.

(Sec. 2873, I. R. C.)

§ 185.79 *Empty container storeroom*. If empty cases, bottles, and other bottling supplies are kept or stored on the warehouse premises, a separate room or building may be provided for such purpose. Such room or building shall not have any means of interior communication with any other room or building comprising the storage portion of the bonded warehouse. If a separate room or building is not provided for the storage of such supplies, they must be stored in the bottling-in-bond department and kept completely segregated and so stored as not to interfere with proper supervision of the bottling-in-bond department.

(Secs. 2873, 2904, I. R. C.)

§ 185.80 *Government office*. The proprietor shall provide and maintain on the warehouse premises for the exclusive use of Government officers, a securely constructed, well-lighted, heated, and ventilated office of suitable dimensions: *Provided*, That where the proprietor operates a distillery on the same or contiguous premises or a bonded winery on contiguous premises, and a Government office conforming to the requirements specified herein is provided on the distillery or winery premises, and such office is so located as to be suitable for the use of Government officers assigned to the warehouse, a separate Government office need not be provided on the warehouse premises. The Government office shall be equipped with toilet and lavatory facilities, unless such facilities, suitably located, are provided elsewhere on the premises, and with desks, chairs, file cases, and such other furniture as may be necessary for the keeping and preserving of Government records and the preparation of reports. The door of the Government office shall be equipped with a cylinder type lock and a sufficient number of keys therefor shall be furnished the district supervisor for the use of Government officers. Where deemed necessary to afford adequate security to Government property, the district supervisor may require the windows of the Government office to be protected by shutters or iron bars and the door to be so equipped that it may be securely fastened with a Government lock. A sign must be placed over the entrance door bearing the words "Government Office." Unless the Government office is located immediately adjacent to the bottling-in-bond department, the proprietor must provide either a separate office or desks, chairs, file cases, and such other furniture as may be necessary for the keeping and preserving of Government records and the preparation of reports in a suitable and well-lighted space in the bottling-in-bond department. If the bottling-in-bond department is not properly heated during inclement weather, such office facilities must be located in a well-lighted, heated, and ventilated room. Such facilities shall be subject to approval by the district supervisor.

(Secs. 2873, 2904, I. R. C.)

§ 185.81 *Government cabinet*. There shall be provided in the Government office a metal cabinet of adequate strength and size, suitably equipped for locking with a Government seal lock, for use in safeguarding the keys to Government locks, seals, and other Government property and stamps in the custody of Government officers. Each such cabinet shall be subject to approval by the district supervisor. Unless the Government office is located immediately adjacent to the bottling-in-bond department, a similar cabinet must also be provided in such department.

(Secs. 2873, 2904, I. R. C.)

§ 185.82 *Off-premises export storage room*. If the proprietor of an internal revenue bonded warehouse located at a port of exportation intends to store, pending release for direct exportation or use as supplies on vessels or aircraft,

taxpaid distilled spirits or wines bottled or packaged especially for export with benefit of drawback under the provisions of Regulations 11 (26 CFR Part 189), Regulations 15 (26 CFR Part 190) and Regulations 28 (26 CFR Part 176), a separate room for the storage of such products exclusively must be provided off the bonded premises. The room must be contiguous to the bonded premises and be constructed of substantial, solid materials. All windows, doors or other openings must be so constructed that they may be securely locked or fastened from the inside, except the entrance door which must be so constructed that it may be securely locked from the outside of the room with a Government seal lock. A sign must be placed over the entrance door of the room bearing the words "Off-Premises Export Storage Room." The deposit of distilled spirits and wines in such room, and the withdrawal thereof, shall be effected in accordance with provisions of Regulations 28 (26 CFR Part 176).

(Sec. 3179, I. R. C.)

SUBPART D—SIGN

§ 185.100 *Posting of sign.* The proprietor shall place and keep conspicuously on the outside and at the front of the warehouse where it can be plainly seen, a sign exhibiting in plain and legible letters painted in oil colors or gilded, not less than 3 inches in height, and of a proper and proportionate width, the name of the proprietor and the words "Internal Revenue Bonded Warehouse," followed by the registered number of the warehouse. If the warehouse consists of two or more buildings the required sign will be placed over the entrance of each building, and there shall also be shown on such sign the alphabetical designation of the building. If a bottling-in-bond department is maintained, the proprietor shall also place and keep conspicuously on the outside and at the front of the department, or over the front entrance thereto, where it can be plainly seen, a sign exhibiting in plain and legible letters, the words "Bottling-in-Bond Department."

(Secs. 2873, 2904, I. R. C.)

SUBPART E—FENCES OR WALLS AND GATES

§ 185.105 *Construction.* The proprietor may erect around the warehouse premises a fence or wall, but a suitable number of gates or doors therein must be provided; and if such fence or wall is to be solid and over five feet in height, specific approval for the erection or maintenance thereof must be obtained from the district supervisor.

(Sec. 2873, I. R. C.)

§ 185.106 *Keys to gates.* The proprietor shall furnish the district supervisor as many keys to the gates or doors of the fence or wall around the warehouse as may be required from time to time, in order to render the warehouse readily accessible to Government officers.

(Sec. 2873, I. R. C.)

SUBPART F—EQUIPMENT

§ 185.110 *Scales.* The proprietor of the warehouse must provide suitable and

accurate scales for the weighing of packages of distilled spirits. The beams or dials of such scales must indicate weight in half-pound graduations. The beams or dials of tank scales must be graduated to enable readings to be made as follows: To nearest one-half pound for lots of spirits not exceeding 2,000 pounds; to nearest pound for lots of spirits exceeding 2,000 pounds but not over 6,000 pounds; to nearest two pounds for lots of spirits exceeding 6,000 pounds but not over 20,000 pounds; to nearest five pounds for lots of spirits exceeding 20,000 pounds but not over 50,000 pounds; and to nearest ten pounds for lots of spirits exceeding 50,000 pounds.

(Sec. 2873, I. R. C.)

§ 185.111 *General requirements for tanks.* All tanks used as receptacles for spirits shall be constructed of metal, shall be stationary, and shall be equipped with a suitable measuring device whereby the actual contents will be correctly indicated, and will have plainly and legibly painted thereon an appropriate designation indicating the use thereof, followed by its serial number and capacity in gallons. Where such tanks are of irregular dimensions the distiller shall furnish to the district supervisor a table, in duplicate, showing the capacity of the tank for each inch of depth. The district supervisor will retain one copy of the table and forward the other to the storekeeper-gauger who will retain the same in the Government office. All tanks must be so constructed as to permit proper examination thereof, and so arranged as to leave an open space of not less than three feet between the top and the roof or floor above. Manheads, inlets, and outlets of the tanks and all openings whereby access may be had to the spirits must be provided with facilities for locking with Government locks or otherwise securely fastened or sealed. Where tanks are equipped with manholes or valves in the top which are required to be locked with Government locks, suitable walks or landings with steps or stairways leading thereto and providing ready access to such manholes or valves must be constructed. Valves must be provided in the pipe connections and be so arranged as to control completely the flow of spirits both into and out of such tanks and so constructed that they may be locked with Government locks. The pipe connections of such valves must be brazed, welded, or otherwise secured in such a manner that they cannot be detached or altered without showing evidence of tampering. Tanks used as receptacles for spirits may be permanently connected with pipe lines for the conveyance thereto of air and also distilled water, but the distilled water pipe line must be affixed to the top of the tank and may not extend into the tank. Such air and water pipe lines must be equipped with a control valve which may be locked with a Government lock. Pipes used for the conveyance of air and water must also be equipped with a check valve located near the point of entry to the tank in order to effectively prevent any abstraction of spirits from the tank. Other pipe lines, except those used for the conveyance of spirits, may

not be permanently connected with such tanks. Tanks used for gauging shall be mounted on accurate scales.

(Secs. 2800, 2829, 2873, 2883, I. R. C.)

§ 185.112 *Gauging tank.* The proprietor must provide in a warehouse building one or more gauging tanks, constructed in accordance with the provisions of § 185.111, where distilled spirits are to be received by pipeline or by tank car for deposit in storage tanks in the warehouse, or where distilled spirits deposited in storage tanks are to be withdrawn therefrom for removal by pipeline or in tank cars, or where distilled spirits stored in packages are to be dumped for bulk gauging: *Provided*, That no gauging tank need be installed on the warehouse premises for gauging (a) distilled spirits received by pipeline which have been gauged in the distillery cistern room (b) fortifying spirits which are to be transferred by pipeline from storage tanks direct to a gauging tank in the fortifying room of a contiguous winery and gauged therein under the provisions of § 185.864, (c) rum of 150 degrees of proof or more which is to be transferred by pipeline from storage tanks direct to a gauging tank in a denaturing bonded warehouse on the same premises and gauged therein under the provisions of § 185.883, or (d) spirits of 160 degrees of proof or more for redistillation which are to be transferred by pipeline from a storage tank direct to a gauging tank in a distillery on the same or contiguous premises under the provisions of § 185.725. Where a storage tank is mounted on scales, the entire contents of the tank may be removed at one time, and deposits may be made therein on the basis of the scale readings of such tank, without it being necessary to first run such spirits into a gauging tank. Where withdrawals are regularly made for shipment by tank car, gauging tanks used for this purpose must be of sufficient capacity to load a tank car in a single gauging operation. A suitable board shall be provided on each gauging tank for the attachment of the gauge report or certificate of taxpayment. If distilled spirits are to be dumped from packages for bulk gauging, the gauging tank must be located in the gauging room.

(Secs. 2800, 2829, 2873, 2883, I. R. C.)

§ 185.113 *Test weights.* The proprietor shall provide a set of ten 50-pound cast-iron test weights, which shall be certified by the National Bureau of Standards or State departments of weights and measures as conforming to class "C" requirements of the National Bureau of Standards. If the proprietor has provided such test weights at another plant operated by him on the same or contiguous premises, he need not provide a separate set of weights for the warehouse. All test weights shall be placed under the control and in the custody of the storekeeper-gauger in charge, who shall keep them under Government lock when not in use.

(Sec. 2873, I. R. C.)

§ 185.114 *Testing gauging and storage tank scales—*(a) *Not over 500 gallons.* Scales used for weighing spirits in

lots of not over 500 gallons will be tested from time to time under the supervision of the storekeeper-gauger by means of test weights provided in accordance with § 185.113. Such scales will be tested by placing the prescribed test weights on the scales and checking the weight registered on the beam of the scales. The test weights will then be removed without disturbing the beam and the gauging tank filled with spirits or water to the same weight, whereupon the test weights will again be placed upon the scales, the spirits or water being retained in the tank and the weight registered on the beam checked. This operation will then be continued until the scales have been checked in 500-pound notches at all weights for which the scales are used.

(b) *Over 500 gallons.* Proprietors will have scales used for weighing spirits in larger lots tested and their accuracy certified by State, county, or city departments of weights and measures or by a responsible scale company at intervals of not more than six months. Officers will see that the proprietors have the scales of weighing tanks, used for weighing distilled spirits in lots of more than 500 gallons, tested and their accuracy certified by State, county, or city departments of weights and measures or by a responsible scale company at intervals of not more than 6 months. Officers will also check, at least once a month, the gallonage represented to be on the scale against the gallonage indicated by a volumetric determination of the contents of the tank. Such volumetric determination will be made by (1) accurately ascertaining the proof and the temperature of the distilled spirits and the depth of the liquid in the tank by means of a steel tape, (2) multiplying the depth in inches by the capacity of the tank for 1 inch of depth, and (3) correcting the volume to 60 degrees Fahrenheit in accordance with table No. 7 of the Gauging Manual. The corrected gallons thus determined will be compared with the gallons represented by the reading of the beam of the scale. Unless the volumetric check is within 0.5 per cent of the quantity shown to be in the tank, the scale must be considered as being inaccurate; unless, upon checking the capacity of the tank per inch of depth, an error is disclosed and corrected, and such corrected gallons per inch bring the scale within the specified tolerance.

(Sec. 2873, I. R. C.)

§ 185.115 *Accuracy of scales.* In addition to the volumetric check described, officers will, as frequently as conditions indicate the necessity therefor, test weighing tank scales of large capacity in the manner prescribed for smaller capacity weighing tank scales, except that such tests on large capacity weighing tank scales may be made when they contain considerable quantities of liquid. In this case the beam will be carefully balanced, and test weights will be added to the load, one at a time, until the range of 500 pounds is checked. For the scale to be considered accurate, each 50-pound weight added must increase the reading of the beam by 50 pounds, and the ten 50-pound weights by 500

pounds. Each reading must check within the value of one of the minimum beam graduations; otherwise, the scale will be considered inaccurate. At any time an officer finds a scale to be inaccurate, he will require the proprietor to have such scale adjusted and its accuracy certified by a State, county, or city department of weights and measures or by a responsible scale company.

(Sec. 2873, I. R. C.)

§ 185.116 *Storage tanks.* A sufficient number of storage tanks constructed in accordance with the requirements of § 185.111 must be provided in the warehouse to permit the expeditious deposit of spirits within the limitations of section 185.372.

(Secs. 2873, 2883, I. R. C.)

§ 185.117 *Storage tanks outside warehouse building.* The district supervisor may approve permanent storage tanks not located within a room or building as an addition to an internal revenue bonded warehouse: *Provided*, That such tanks are constructed, equipped, and enclosed as required in this section. The tank, or tanks, shall be of substantial steel construction and shall be erected on a solid concrete base or foundation. Each storage tank shall have plainly and legibly painted thereon, or on a plate securely attached thereto, the words "Storage Tank," followed by its serial number and capacity in gallons. The inlet and outlet pipe connections of each storage tank must be fitted with valves so constructed that they can be secured with Government locks, and any other openings in such tanks must also be so constructed that they can be closed and locked. The tanks shall be completely enclosed by a brick, concrete, or stone wall, at least 12 inches thick and extending not less than 3 feet above, and 3 feet below, the ground. A fence at least 12 feet in height, constructed of not less than No. 6 gauge, nor more than 2-inch mesh, expanded metal or woven wire, with at least three rows of barbed wire superimposed on the top thereof, shall be permanently affixed on the wall. The fence posts shall be substantially constructed of iron or steel and shall be solidly embedded in the wall. A suitable gate in such fence shall be provided, which gate shall be of the same construction as the fence, and shall be equipped with hasp and staple for the reception of a Government seal lock. The storage tanks shall be connected with approved gauging tanks in the internal revenue bonded warehouse building by permanent and continuous pipe lines constructed in accordance with § 185.123, and so arranged as to be exposed to view throughout their entire lengths. All valves, unions, flanges, and other detachable connections in the pipe lines and openings in the tanks must be so secured, by brazing, welding, fastening and sealing, or locking with Government locks, as to effectually prevent disconnection and access to the spirits. The Commissioner or district supervisor may require, in any case in which he deems it necessary, either the installation of electric flood lights for lighting the tank enclosure, or the maintenance of watch-

man's services, or both, or other protective measures or devices.

(Secs. 2829, 2873, 2883, I. R. C.)

§ 185.118 *Brandy-blending tanks.* Brandy-blending tanks shall be constructed, installed and equipped in the manner prescribed in § 185.111 for the construction, installation and equipment of storage tanks. Each such tank shall have plainly and legibly painted thereon, or on a plate securely attached thereto, the words "Brandy-Blending Tank," followed by its serial number and capacity in gallons.

(Secs. 2801, 2829, 2873, I. R. C.)

§ 185.119 *Tanks in bottling-in-bond department.* Where a bottling-in-bond department is established, the proprietor must provide one or more bottling tanks. Spirits may be dumped and reduced in bottling tanks, or the proprietor may provide dumping tanks, reducing tanks, or combination dumping and reducing tanks. All tanks must be constructed, equipped and designated in accordance with the requirements of § 185.111. Each bottling, reducing, or dumping tank must also be equipped with a suitable board for the attachment of Form 1515. Such tanks may be mounted on scales.

(Secs. 2829, 2904, I. R. C.)

§ 185.120 *Gravity tanks.* The proprietor may, if necessary, install a small gravity tank between the bottling tanks and bottling machine, for the purpose of maintaining a constant head pressure or to afford a gravity flow to the bottling machine. Such tank must be so arranged that it can be filled only through the bottling tanks by a continuous, permanent, pipe line, and shall be permanently connected with the bottling machine by a permanent, metal pipe line, equipped with a valve for locking with a Government lock: *Provided*, That where the bottling tanks are mounted on scales or the construction of the bottling machine is such that the connections therewith must be flexible, the respective pipe lines may be connected with the outlets of the bottling tanks, or with the bottling machine, as the case may be, by short, detachable hose connections. Where the pipe line is connected with the outlets of the bottling tanks or the bottling machine by such detachable hose connections, the ends of such pipe lines on which the hose connections are made must be equipped with valves for locking with Government locks, or secured and sealed in such a manner that the hose connections may not be detached without showing evidence of having been detached or tampered with. The capacity of the gravity tank shall be no larger than necessary, and the manhead shall be equipped for locking with a Government lock. Gravity tanks must be equipped with a suitable measuring device whereby the contents will be correctly indicated, and each such tank shall have plainly and legibly marked thereon the words "Gravity Tank," followed by its serial number and capacity in gallons.

(Secs. 2829, 2903, 2904, I. R. C.)

§ 185.121 *Distilled water tanks.* If the proprietor produces distilled water on

the warehouse premises, or receives the same by pipeline from a distillery on the same or contiguous premises, distilled water tanks shall be provided and so located that their contents may be readily inspected by Government officers. Each such tank shall be equipped with a suitable measuring device whereby the actual contents will be indicated, and shall have plainly and legibly marked thereon the words "Distilled Water Tank," followed by its serial number and capacity in gallons.

(Secs. 2829, 2904, I. R. C.)

§ 185.122 *Water stills.* Water stills may be provided, and if so, there must be a clear space of not less than 1 foot around them. Every such still must have plainly and legibly painted thereon the words "Water Still," followed by its serial number and capacity in gallons. Water stills shall be connected with distilled water tanks by continuous, permanent, metal pipelines.

(Secs. 2829, 2903, 2904, I. R. C.)

§ 185.123 *Pipelines.* Pipelines for the conveyance of spirits in the warehouse, or to and from tank car loading areas, or other establishments on the same or contiguous premises, shall be of a fixed and permanent character, constructed of metal or other suitable material affording necessary protection, and so arranged as to be exposed to view in their entirety. All valves, unions, flanges and other connections in such pipelines shall be brazed, welded, or otherwise so secured as to prevent their disconnection without evidence of tampering. The connections of such pipelines with tanks, or dump troughs shall be secured in like manner: *Provided*, That pipelines may be connected with tanks mounted on scales by means of flexible metal hose with the ends brazed or welded to the inlet or outlet of the tank and to the pipeline, or by means of short, detachable hose connections if the end of the pipeline is fitted with a valve so constructed that it may be secured with a Government lock. The pipeline may likewise be connected with tank cars by short detachable hose connections. A separate pipeline must be installed to each plant to which transfer of distilled spirits by pipeline is authorized, or for the loading or unloading of tank cars, except as provided in § 185.579. Such pipelines may be connected only to the tanks to or from which transfer of spirits is authorized, except, where two or more tanks are used for the same purpose, manifold connections may be used. Manifold connections must be equipped with valves which may be secured with Government locks and so arranged as to permit complete control of spirits into or out of each tank. There shall be painted on each pipeline extending to and from a manifold a legend showing the kind and serial number of the tank or the type and registry number of the contiguous establishment with which the pipeline is connected. Where there are separate pipelines leading directly from a tank to a tank car loading zone or an establishment on the same or contiguous premises, a legend indicating the use of such pipeline or the type and registry number

of the contiguous establishment shall be painted thereon. Pipelines must be so arranged as to permit complete drainage thereof after each transfer of spirits. Pipelines used for conveying the following substances shall be kept painted in the colors indicated, and other pipelines may not be painted in these colors:

Distilled spirits.....	Black.
Water.....	White.
Steam.....	Aluminum.
Air.....	Orange.
Refrigerants.....	Purple.

(Secs. 2800, 2801, 2829, 2883, I. R. C.)

§ 185.124 *Preparations for sealing.* Where flanges, unions, valves and other detachable connections in the pipe lines are not secured by welding or brazing, and are not to be secured by Government locks, they must be prepared by the proprietor for sealing with "cap" seals. Flanges, unions, and valves will be prepared for sealing, in accordance with the following instructions:

(a) *Sealing flanges.* Flanges may be prepared for sealing by one of the following methods:

(1) By applying a "castle" nut with a hole drilled through the bolt, so the sealing wire may be passed through like a cotter pin, two such nuts being applied to each flange, opposite each other, unless the flange is secured with an uneven number of bolts, in which case three such nuts will be applied at approximately equal distances apart;

(2) By drilling a small hole through both nut and bolt, two such bolts and nuts being drilled for each flange, opposite each other, unless the flange is secured with an uneven number of bolts, in which case three such nuts will be applied at approximately equal distances apart; or

(3) By drilling a hole through the corner of the head of the bolt and one through the corner of the nut so that the two will be sealed together, two such bolts and nuts being drilled for each flange, opposite each other, unless the flange is secured with an uneven number of bolts, in which case three such nuts will be applied at approximately equal distances apart.

(b) *Sealing unions.* Unions will be prepared for sealing by inclosing the same in a metal box with holes for the sealing wire.

(c) *Sealing valves.* Small gate and globe valves may be prepared for sealing by inclosing the packing nut and hood with a metal band or strap drawn tightly around the flange and fitted for reception of the sealing wire, or by drilling a hole in the packing nut so that sealing wire may be passed through and drawn around the pipe and sealed. Where valves have large flanges, such flanges may be sealed in the same manner as other flanges.

(Secs. 2820, 2823, I. R. C.)

§ 185.125 *Securing pipelines.* Pipelines shall be so secured at points of entering or passing from the warehouse as to prevent any communication with the warehouse at such points, except by transit through the pipeline when the valve is open. The storage tank connections in the pipeline from the distillery shall be fitted at the inlet of each such

tank with a valve which can be secured with a Government lock, and such connections must be so arranged as to control completely the flow of spirits separately into each tank. Each pipeline not directly connected with a storage tank shall be fitted at the end inside the warehouse with a valve so constructed that it may be locked. No pipeline may be used until it has been inspected and the district supervisor has approved the same.

(Sec. 2883, I. R. C.)

§ 185.126 *Hydrometers.* Proprietors of internal revenue bonded warehouses will provide standard hydrometer sets for their own use in determining the proof of spirits.

(Sec. 2808, I. R. C.)

§ 185.127 *Details of construction and equipment.* Where details of construction and equipment are not covered by the provisions in this part, such construction and equipment must afford the same degree of security and protection to the spirits in the warehouse as is intended by the construction and equipment specifications prescribed in this part. The Commissioner may approve details of construction and equipment in lieu of those specified in this part where it is shown that it is impracticable to conform to the prescribed specifications, and the proposed construction and equipment will afford as much security and protection as the construction and equipment prescribed. Where it is proposed to substitute construction and equipment for that for which specifications are prescribed, or where any doubt prevails in regard to the security and protection which will be afforded by construction and equipment not covered by the provisions in this part, approval of the Commissioner should be first obtained.

(Sec. 2873, I. R. C.)

§ 185.128 *Warehouses heretofore established.* Internal revenue bonded warehouses heretofore established may continue to operate if the present construction and equipment afford adequate security and protection to the revenue. The Commissioner or district supervisor may at any time require the proprietor to make changes in construction and equipment conforming to the provisions in this part, if deemed necessary to safeguard the revenue or to permit more economical and efficient supervision by Government officers. All warehouses hereafter established and changes in existing warehouses must be in conformance with the provisions in this part.

(Sec. 2873, I. R. C.)

SUBPART G—QUALIFYING DOCUMENTS

§ 185.150 *Application, Form 27-D.* Every person desiring the establishment of an internal revenue bonded warehouse shall file application therefor on Form 27-D, "Application by Proprietor of Internal Revenue Bonded Warehouse," in triplicate, with the district supervisor. Except as provided in § 185.156, in the case of amended and supplemental applications, all information indicated by the lines on the form and the instruc-

tions printed thereon, or issued in respect thereto, and in this part shall be furnished. Applications on Form 27-D must be signed in accordance with the instructions printed on the form and sworn to before an officer authorized to administer oaths: *Provided*, That if the form officially prescribed for such application contains therein a provision for verification by a written declaration that such application is made under the penalties of perjury, such application shall be verified by the execution of such declaration, and such declaration shall be in lieu of any oath required herein for verification. Such applications must be numbered serially, commencing with number 1 and continuing in regular sequence for all applications thereafter filed, whether amended or supplemental. All data, written statements, affidavits, and other documents submitted in support of the application shall be deemed to be a part thereof.

(Secs. 2873, 2904, 3809, I. R. C.)

§ 185.151 Permit required. Under the Federal Alcohol Administration Act and the regulations issued pursuant thereto (27 CFR Part 1), any person, except an agency of a State or political subdivision thereto, or any officer or employee of any such agency, intending to engage in the business of bottling distilled spirits, is required to procure a permit therefor.

(Sec. 3, 49 Stat. 978, 27 U. S. C. 203)

§ 185.152 Title to premises. The applicant's title to, or interest in, the warehouse premises shall be shown on Form 27-D. If the applicant is the owner of the premises, the amounts of all mortgages or other encumbrances thereon, and the names of the holders thereof, shall be stated. If the warehouse is occupied under a lease, the name of the owner, the name of the lessor, the length of the term and the date of its expiration, shall be stated.

(Sec. 2873, I. R. C.)

§ 185.153 Description of premises. The application shall contain a complete description of the building or room constituting the warehouse, including the height, width, and length, the materials of which constructed, the means of ingress and egress, and the manner of securing windows and doors and other openings. If the warehouse consists of an entire building, the number of stories and the height of each story shall be given. If the warehouse consists of a room or floor of a building, an exact description of the building in which the room or floor is situated and its precise location therein shall be given. If the warehouse consists of separate buildings, the same shall be designated alphabetically, as "Building A," "Building B," etc., and each shall be described separately and the capacity, in barrels, cases, or tanks of each given. Each floor of each building shall be described separately, unless the dimensions and construction of all floors are identical and are used for the same purpose. If a bottling-in-bond room or a brandy-blending department is provided, it will be separately described as to location,

construction and security. The designated serial number and capacity of each tank and other apparatus, and the daily bottling capacity in gallons shall also be stated. A separate description of each quick-aging room or gauging room shall be given. The Government office shall be separately described in the application, the location, construction and equipment thereof being shown. Pipe lines for transfer of distilled spirits to or from other establishments on the same or contiguous premises shall be described and names of proprietors and registry numbers of contiguous establishments to or from which transfers of spirits will be made shall be given.

(Secs. 2801, 2873, 2904, I. R. C.)

§ 185.154 Capacity. The total capacity in barrels, exclusive of storage tanks, of all buildings or units constituting the warehouse shall be stated on Form 27-D. The capacity of the warehouse must conform to the applicable requirements specified in § 185.52.

(Secs. 2872, 2873, I. R. C.)

§ 185.155 Necessity for establishment. A statement in detail respecting the necessity for the establishment of the warehouse must be furnished in the application, unless the warehouse is to be operated by the distiller (not including lessee distillers) on or contiguous to his distillery premises. This statement must show the approximate quantity of spirits that will be received, stored, and withdrawn annually, the probable number of depositors of spirits, the approximate number of dealers to be served with spirits withdrawn from the warehouse, whether spirits will be bottled, either in bond or commercially, together with any other data indicating the prospective volume of business at the warehouse. The applicant in such case shall submit with the application sworn statements from distillers respecting their intention to deposit spirits in the warehouse, and showing the initial deposit and the estimated quantity and frequency of subsequent deposits. Certified copies of contracts for the storage of spirits in the warehouse, in the event of its establishment, will be submitted in support of the application in such case. The transportation facilities available shall be completely described in the application, except where the warehouse is an original warehouse to be operated by the distiller on or contiguous to the distillery premises. If the warehouse is a second warehouse which the distiller desires to have established contiguous to, or near, such original warehouse on account of lack of storage space in the original warehouse and inability to expand the same, such fact must be established, but data respecting the number of depositors, dealers to be served, and transportation facilities, and statements and contracts of other depositing distillers, need not be submitted.

(Secs. 2872, 2873, I. R. C.)

§ 185.156 Amended and supplemental application. Amended and supplemental applications on Form 27-D may be executed in skeleton form, except as to the items amended or supplemented,

All other items which are correctly set forth in prior applications, and in which there has been no change since the last preceding application, may be incorporated in the amended or supplemental application by reference to the respective application previously filed. Such incorporation by reference shall be made by entering for each such item in the space provided therefor the statement "No change since filing Form 27-D, Serial No. _____" (the number being inserted), followed by the date of the form. Every proprietor of an internal revenue bonded warehouse located at a port of exportation and desiring to establish an off-premises export storage room, as authorized by § 185.82, shall file a supplemental application therefor on Form 27-D, giving the location and description of the room.

(Sec. 3179, I. R. C.)

§ 185.157 Corporate documents. There must be submitted with, and made a part of, the original or initial application on Form 27-D, by a corporation desiring the establishment of an internal revenue bonded warehouse, properly certified copies, in triplicate, of the following documents:

- (a) Articles of incorporation and any amended articles of incorporation.
- (b) Certificate of incorporation.
- (c) Certificate authorizing the corporation to operate in State where warehouse is located, if other than that in which incorporated.
- (d) Extracts of minutes of meetings of stockholders, showing election of directors.
- (e) By-laws.
- (f) Extracts of the minutes of meetings of the Board of Directors, showing the election of officers.
- (g) Extracts of the minutes of meetings of the Board of Directors, authorizing certain officers or other persons to sign for the corporation.
- (h) List of the names and addresses of the officers and directors.
- (i) List of stockholders, as provided in § 185.158.

(Sec. 2873, I. R. C.)

§ 185.158 List of stockholders. In the case of corporations and similar legal entities, there must be submitted with Form 27-D at the commencement of business, and annually thereafter on May 1, a list of the names and addresses of all stockholders and other persons interested in the corporation or other legal entity, and the amount and nature of the stockholding or other interest of each, whether such interest appears in the name of the interested party or in the name of another for him: *Provided*, That where more than 100 persons are interested in the corporation or other legal entity as stockholders or otherwise, there need be furnished only the names and addresses and the amounts and nature of the stockholding or other interest of the 100 persons having the largest ownership or other interest of each of the respective classes of stock or other interest, except where more complete information shall be specifically required by the Commissioner or the district supervisor: *Provided further*, That where

there has been no change in the list of stockholders and other persons interested in the corporation or other legal entity, the proprietor may furnish, in lieu of the annual list, a certified statement, in triplicate, to that effect. Where a corporation operates two or more internal revenue bonded warehouses or other plants situated in the same supervisory district, or wholly owns one or more subsidiaries operating such warehouses or other plants so situated, and in connection with qualifying for the operation of one of such warehouses or plants, files a list of stockholders and other persons interested as prescribed in this section, the filing of an additional list for each warehouse will not be required, provided that in lieu of such additional list there is submitted a certificate, in triplicate, definitely identifying the corporation and plant with whose application or notice the list of stockholders and other persons interested is filed, and giving the date of filing thereof.

(Sec. 2873, I. R. C.)

§ 185.159 *Affidavit.* In the case of a corporation there must be submitted with each list of stockholders an affidavit, in triplicate, executed by an officer of the corporation authorized so to do, showing the number of shares in each class of stock or other evidence of ownership, such as voting trust certificates authorized and outstanding, the par value thereof and the voting rights of the respective owners or holders, and certifying to the correctness of the list of stockholders, or the statement authorized to be furnished with the application in lieu of such list. In the case of an individual owner or copartnership, there must be submitted with Form 27-D at the commencement of business, and annually thereafter on May 1, an affidavit, in triplicate, giving the name of every person interested or to be interested in the warehouse, whether such interest appears in the name of the interested party or in the name of another for him.

(Sec. 2873, I. R. C.)

§ 185.160 *Articles of copartnership or association.* In the case of a copartnership or association, a certified copy, in triplicate, of the articles of copartnership or association, if any, shall be submitted with, and constitute a part of, the application, Form 27-D.

(Sec. 2873, I. R. C.)

§ 185.161 *Trade name certificate.* Where the applicant is to do business under a firm or trade name, there must be submitted with and made a part of the application, Form 27-D, certified copies, in triplicate, of the certificate or other document filed with or issued by State officials under the laws of the State to cover the transaction of business under such firm or trade name. If no such certificate or other document is required by the laws of the State to be filed with or issued by State officials to cover the transaction of business under a firm or trade name, the applicant shall furnish a statement, in triplicate, to that effect.

(Sec. 2873, I. R. C.)

§ 185.162 *Power of attorney, Form 1534.* If the application or other qualifying documents are signed by an attorney in fact for an individual, copartnership, association, or corporation, or by one of the members for a copartnership or association, or in the case of a corporation, by an officer or other person not authorized to sign by the corporate documents described in § 185.157, such application or other qualifying documents must be supported by a duly authenticated copy of the power of attorney conferring authority upon the person signing the document to execute the same. Such powers of attorney will be executed on Form 1534, in triplicate, and submitted to the district supervisor.

(Sec. 2873, I. R. C.)

§ 185.163 *Execution of power of attorney.* Where the principal giving the power of attorney is an individual, it must be executed by him in person, and not by an agent. In the case of a copartnership or association, powers of attorney authorizing one or more of the members, or another person, to execute documents on behalf of the copartnership or association must be executed by all of the members constituting the copartnership or association. However, if one or more members less than the whole number constituting the copartnership or association have been delegated the authority to appoint agents or attorneys in fact, the power of attorney may be executed by such member or members, provided it is supported by a duly authenticated copy, in triplicate, of the document conferring authority upon the member or members to execute the same. Where, in the case of a corporation, powers of attorney are executed by an officer thereof, such documents must be supported by triplicate copies of the authorization of such officer so to do, certified by the secretary or assistant secretary of the corporation, under the corporate seal, if any, to be true copies.

(Sec. 2873, I. R. C.)

§ 185.164 *Duration of power of attorney.* Powers of attorney authorizing the execution of documents on behalf of a person engaged, or intending to engage, in the business of an internal revenue bonded warehouseman shall continue in effect until written notice, in triplicate, of the revocation of such authority is received by the district supervisor, unless terminated by operation of law.

(Sec. 2873, I. R. C.)

§ 185.165 *Transportation and warehousing bond, Form 1571.* Every person desiring the establishment of an internal revenue bonded warehouse shall, upon filing his application, Form 27-D, execute bond on Form 1571, "Transportation and Warehousing Bond," in triplicate, in conformity with the provisions of Subpart H of this part, and file the same with the district supervisor. The penal sum of such bond shall be not less than the amount of internal revenue tax at the rate prescribed by law on the quantity of distilled spirits that will be stored in such warehouse and in transit thereto at any one time, including dis-

tilled spirits bottled for export, plus the amount of additional tax at the rate of 30 cents a proof gallon attaching to brandy blended under the provisions of section 2801 (e) (5), I. R. C., that will be on hand or in transit to the warehouse at any one time: *Provided*, That the maximum penal sum of such bond shall not exceed \$200,000 for each such warehouse. Proprietors of internal revenue bonded warehouses desiring to blend brandies under the provisions of section 2801 (e) (5), I. R. C., and having on file Form 1571, "Transportation and Warehousing Bond," revised December 1941 or revised prior to such time, shall file consent of surety on Form 1533 to cover the blending of brandies and the additional tax liability.

(Secs. 2801, 2872, 2879, I. R. C.)

§ 185.166 *Plat and plans.* Every person desiring the establishment of an internal revenue bonded warehouse must submit to the district supervisor with his application, Form 27-D, an accurate plat of the warehouse premises and accurate plans of the buildings, apparatus and equipment, in triplicate, conforming to the requirements of Subpart I of this part.

(Sec. 2873, I. R. C.)

§ 185.167 *Additional information.* The Commissioner or the district supervisor may at any time, in his discretion, require the proprietor to furnish such additional information as he may deem necessary.

(Sec. 2873, I. R. C.)

§ 185.168 *Instruments and papers.* The terms, conditions, and instructions contained in instruments and papers required to be furnished by law or regulations are hereby made a part of the provisions in this part as fully and to the same extent as if incorporated in this part.

(Sec. 2873, I. R. C.)

§ 185.169 *Registry of stills, Form 26.* If a water still is set up in the bottling-in-bond department, the proprietor must register it with the district supervisor for the district in which the still is located, on Form 26, "Registry of Stills," immediately it is set up. The Form 26 shall be executed, in triplicate, in accordance with the columns, lines, and instructions on the form.

(Secs. 2810, 3170, I. R. C.)

SUBPART H—BONDS AND CONSENTS OF SURETY

§ 185.190 *General requirements.* Every person required to file a bond or consent of surety under the provisions in this part shall prepare and execute it on the prescribed form, in triplicate, in accordance with the provisions in this part and the instructions printed on the form, and shall submit it to the district supervisor. The bonds required by the provisions in this part shall be given with surety or collateral security.

(Secs. 2872, 2879, 2885, 2886, 2891, 2904, 3331, 3170, I. R. C.; Sec. 1, 28 Stat. 279, 6 U. S. C. 6; Sec. 1126, 44 Stat. 122; Sec. 7, 49 Stat. 22, 6 U. S. C. 15)

§ 185.191 *Corporate surety.* Bonds may be given with corporate surety authorized by the Secretary of the Treasury to become surety on Federal bonds, subject to the limitations prescribed by the Secretary in Treasury Department Form 356, Commissioner of Accounts and Deposits, Section of Surety Bonds, which is issued semiannually, and subject to such amendatory circulars as may be issued from time to time.

(Secs. 2872, 2879, 2885, 2886, 2891, 2904, 3170, 3331, I. R. C.; Sec. 1, 28 Stat. 279, 6 U. S. C. 6; c. 109, 36 Stat. 241, 6 U. S. C. 8.)

§ 185.192 *Two or more corporate sureties.* A bond executed by two or more corporate sureties shall be the joint and several liability of the principal and the sureties: *Provided*, That each corporate surety may limit its liability in terms upon the face of the bond in a definite, specified amount, which amount shall not exceed the limitations prescribed for such corporate surety by the Secretary, as set forth in Treasury Department Form 356. When the sureties so limit their liability, the aggregate of such limited liabilities must equal the required penal sum of the bond.

(Secs. 2872, 2879, 2885, 2886, 2891, 2904, 3170, 3331, I. R. C.; Sec. 1, 28 Stat. 279, 6 U. S. C. 6; c. 109, 36 Stat. 241, 6 U. S. C. 8.)

§ 185.193 *Powers of attorney.* Powers of attorney and other evidence of appointment of agents and officers executing bonds on behalf of corporate sureties are required to be filed with, and passed upon by, the Commissioner of Accounts and Deposits, Section of Surety Bonds, Treasury Department. Such powers and other evidence of appointment need not be filed with, or submitted to, district supervisors.

(Secs. 2872, 2879, 2885, 2886, 2891, 2904, 3331, I. R. C.)

§ 185.194 *Individual sureties.* Bonds may be given with individual sureties, of which there must be not less than two, each of whom must qualify by executing Form 33, "Affidavit of Individual Surety on Bond," in triplicate. Individual sureties must be citizens of the United States and reside in the State in which the business of the principal is to be conducted. No person will be accepted as an individual surety in a State in which he is not authorized to become a surety.

(Secs. 2872, 2879, 2885, 2886, 2891, 2904, 3331, I. R. C.)

§ 185.195 *Ownership of real property.* Each individual surety must own unencumbered real property, in fee simple, the appraised value of which, over and above any exemptions from execution allowed by the laws of the State, is equal to the penal sum of the bond. Such real property must be located within the State where the business of the principal is to be conducted.

(Secs. 2872, 2879, 2885, 2886, 2891, 2904, 3331, I. R. C.)

§ 185.196 *Description of real property.* The real property must be described in the surety's affidavit, Form 33, with all of the formalities required in conveyances of real estate by the laws of the State in which it is situated.

(Secs. 2872, 2879, 2885, 2886, 2891, 2904, 3331, I. R. C.)

§ 185.197 *Execution of Form 33.* The surety's affidavit on Form 33 shall contain all of the information required by this part and the instructions printed on the form. The form shall be subscribed and sworn to before an officer duly authorized to administer oaths, and one copy thereof shall be attached to each copy of the bond to which it relates.

(Secs. 2872, 2879, 2885, 2886, 2891, 2904, 3331, I. R. C.)

§ 185.198 *Certificate of title.* There must be submitted with the surety's affidavit, Form 33, a certificate of title, in triplicate, showing that the surety has good title, free of encumbrances, to the realty described in the form.

(Secs. 2872, 2879, 2885, 2886, 2891, 2904, 3331, I. R. C.)

§ 185.199 *Appraisal.* There will also be submitted with Form 33 an appraisal, in triplicate, by two or more competent persons designated by the district supervisor for the purpose, showing separately the value of the land and buildings, and a full and clear statement of the method employed by them in determining their valuation. The appraisal shall be at the expense of the principal on the bond, unless it is made by Government officers.

(Secs. 2872, 2879, 2885, 2886, 2891, 2904, 3331, I. R. C.)

§ 185.200 *Investigation.* The district supervisor will cause an investigation to be made of all the facts stated in the surety's affidavit on Form 33 and supporting documents, and shall forward one copy of the report of such investigation to the Commissioner with the bond and accompanying Form 33.

(Secs. 2872, 2879, 2885, 2886, 2891, 2904, 3170, 3331, I. R. C.)

§ 185.201 *Requalification.* The Commissioner or district supervisor may at any time, in his discretion, require the requalification of individual sureties on Form 33.

(Secs. 2872, 2879, 2885, 2886, 2891, 2904, 3331, I. R. C.)

§ 185.202 *Interest in business.* The surety, whether individual or corporate, must have no interest whatever in the business covered by the bond.

(Secs. 2872, 2879, 2885, 2886, 2891, 2904, 3331, I. R. C.)

§ 185.203 *Deposit of collateral.* Bonds or notes of the United States, or other obligations which are unconditionally guaranteed as to both interest and principal by the United States, may be pledged and deposited by principals as collateral security in lieu of individual or corporate sureties. District supervisors on receiving such bonds or notes, or other obligations, pledged and deposited by principals as collateral security in lieu of surety, shall deposit such securities in accordance with the requirements of Department Circular No. 154, revised (31 CFR Part 225).

(Sec. 1320, 44 Stat. 1148, as amended, Sec. 7, 49 Stat. 22; 6 U. S. C. 15)

§ 185.204 *Consents of surety.* Consents of surety to a change in the terms of a bond must be executed on Form 1533, "Consent of Surety to Change in Terms of Bond," in as many copies as are

required of the bond which they affect, by the principal and all sureties with the same formality and proof of authority to execute as are required for the execution of bonds. Form 1533 will be used by obligors on collateral bonds as well as those on surety bonds. The Form 1533 must properly identify the bond affected thereby and state specifically and precisely what is covered by the extended terms thereof. If the surety is a corporation, the consent may be executed by an agent or attorney in fact duly authorized so to do by power of attorney filed by the surety with the appropriate district supervisor, or the consent may be executed by the home office officials of such corporate surety; except that, in cases where the saving of time is an element, the consent may be executed by an agent or attorney in fact where the home office officials, by specific direction, order its execution. A copy of such specific direction should be attached to each copy of such consent.

(Secs. 2872, 2879, 2885, 2886, 2891, 2904, 3331, I. R. C.)

§ 185.205 *Approval required.* No individual, firm, partnership, corporation, or association intending to commence business as the proprietor of an internal revenue bonded warehouse shall commence such business until the required transportation and warehousing bond, Form 1571, has been approved.

(Sec. 2872, I. R. C.)

§ 185.206 *Authority to approve.* District supervisors are authorized to approve all bonds and consents of surety required by this part.

(Secs. 2872, 2879, 2885, 2886, 2891, 2904, 3170, 3331, I. R. C.)

§ 185.207 *Additional or strengthening bonds.* In all cases where the penal sum of the bond on file and in effect is not sufficient, computed as prescribed by law and this Part, the principal may give an additional or strengthening bond in a sufficient penal sum, provided the surety thereon is the same as on the bond already on file and in effect; otherwise a new bond covering the entire liability will be required. As such additional or strengthening bonds are filed to increase the bond liability of the principal and the surety, they are in no sense substitute bonds, and the district supervisor will refuse to approve any additional or strengthening bond where any notation is made thereon intended, or which may be construed, as a release of any former bond, or as limiting the amount of either bond to less than its full penal sum. Additional or strengthening bonds must show the current date of execution and the effective date in the blank spaces provided therefor. Such bonds must have marked thereon, by the obligors at the time of execution, "Additional Bond," or "Strengthening Bond."

(Secs. 2872, 2879, 2885, 2886, 2891, 2904, 3331, I. R. C.)

§ 185.208 *New bond.* A new bond may be required at any time in the discretion of the Commissioner or district supervisor. A new bond shall be required immediately in the case of the death or insolvency of an individual surety, or the insolvency of a corporate surety. Execu-

tors, administrators, assignees, receivers, trustees, or other persons acting in a fiduciary capacity, continuing or liquidating the business of the principal, must execute and file a new bond or obtain the consent of the surety or sureties on the existing bond or bonds. When, in the opinion of the Commissioner or the district supervisor, the interests of the Government demand it, or in any case where the security of the bond becomes impaired in whole or in part for any reason whatever, the principal will be required to give a new bond. Where a bond is found to be not acceptable, the principal shall be required to file immediately a new and satisfactory bond, or discontinue business forthwith.

(Secs. 2872, 2879, 2885, 2886, 2891, 2904, 3170, 3331, I. R. C.)

§ 185.209 *Superseding bond.* Where a new bond is submitted by the principal to supersede a bond or bonds then in effect, and such superseding bond has been approved, notice of termination of the superseded bond may be issued as provided in Subpart Q of this part. Superseding bonds must show the current date of execution and the date they are to be effective, and each such bond shall have marked thereon, by the obligors at the time of execution, "Superseding Bond."

(Secs. 2872, 2879, 2885, 2886, 2891, 2904, 3331, I. R. C.)

SUBPART I—PLATS AND PLANS

§ 185.220 *Plat and plans required.* Every person intending to engage in business as the proprietor of an internal revenue bonded warehouse must, as provided in § 185.166, file an accurate plat and accurate plans of the warehouse premises, apparatus, and equipment, in triplicate, with the district supervisor.

(Sec. 2873, I. R. C.)

§ 185.221 *Preparation.* Every plat and plan shall be drawn to scale, and each sheet thereof shall bear a distinctive title and the complete name and address of the proprietor, enabling ready identification. The cardinal points of the compass must appear on each sheet, except those of elevational plans. The minimum scale of any plat will not be less than $\frac{1}{80}$ inch per foot. Each sheet of the original plat and plans shall be numbered, the first sheet being designated number 1, and the other sheets numbered in consecutive order. Plats and plans shall be submitted on sheets of tracing cloth, opaque cloth, or sensitized linen. The dimensions of plats and plans shall be 15 by 20 inches, outside measurement, with a clear margin of at least 1 inch on each side of the drawing, lettering, and writing. Plats and plans may be original drawings, or reproductions made by the "ditto process," or by blue or brown line lithoprint, if such reproductions are clear and distinct.

(Sec. 2873, I. R. C.)

§ 185.222 *Depiction of warehouse premises.* Plats must show the outer boundaries of the warehouse premises by courses and distances, in feet and inches, in a color contrasting with those used for other drawings on the plat, and the

point of beginning with respect to its distance and bearings from some near and well-known landmark must be shown. The plat must also contain an accurate depiction of the building, or buildings, comprising the premises, and any driveways, public highway, or railroad right-of-way adjacent thereto, or connection therewith. The depiction of the premises on the plat should agree with the description thereof in the application, Form 27-D. If the premises are separated by a public highway or railroad right-of-way, and the tracts of land comprising the premises, or parts thereof, abut on such highway or right-of-way opposite each other, the different tracts will be depicted separately by courses and distances, in feet and inches, and outlined in a color contrasting with those used for other drawings on the plat. If two or more buildings are to be used, they must be shown in their relative positions and the alphabetical designation of each indicated. If the warehouse consists of a room or floor of a building, an outline of the building, the precise location, and the dimensions of the room or floor, and the means of ingress from and egress to a public street or yard, shall be shown. All first floor exterior doors of each building will be shown on the plat. Except as provided in § 185.223, all pipelines leading to or from the premises, the purpose for which used, and the points of origin and termination, will be indicated on the plat.

(Sec. 2873, I. R. C.)

§ 185.223 *Contiguous premises.* Where a distillery, or rectifying plant, or tax-paid bottling house, or other premises on which liquors are manufactured, stored, or sold, is contiguous to the warehouse premises the plat must show the relative location of the warehouse and such contiguous premises, and all pipelines, if any, and other connections between them. The outlines of such contiguous premises and the warehouse premises must be shown in contrasting colors.

(Sec. 2873, I. R. C.)

§ 185.224 *Floor plans.* The plans shall include a floor plan of each floor of each building, or, where the warehouse consists of less than the entire building, each floor comprising the warehouse, showing the general dimensions of the rooms and floors, and the location of all doors, windows, and other openings, and how such openings are protected. If the construction of all floors in a single building is identical, a typical floor plan may be filed in lieu of a separate plan for each floor. All storage tanks, gauging tanks, and other tanks used in connection with the receipt, storage, gauging, withdrawal, or bottling of distilled spirits, must be shown in their exact location on the floor plans, and their designated use, serial numbers and capacity indicated. Other equipment of a permanent nature and all areas occupied by racks intended for storage of packages shall be shown. Pipelines may also be shown, if desired.

(Secs. 2873, 2904, I. R. C.)

§ 185.225 *Elevational flow diagrams.* Elevational flow diagrams (plans) shall

be submitted covering the flow of spirits from the time of receipt on the premises, the deposit in storage tanks or gauging tanks, and the removal therefrom. Such diagrams shall clearly depict all equipment in its relative operating sequence, and elevation by floors, with all connecting pipe lines, valves, flanges, measuring devices, and attachments for Government locks. The elevation by floors on the diagrams may be indicated by horizontal lines representing floor levels. All major equipment, such as storage tanks and gauging tanks, must be identified on these plans as to number and use. The elevational flow diagram must be so drawn that all fixed pipelines, except those indicated by § 185.228, may be readily traced from beginning to end: *Provided*, That pipelines leading to and from other buildings on the same or contiguous premises may be designated as to point of origin or termination. The direction of the flow of the spirits through the pipelines must be indicated on the flow diagram by arrows. Where another business is to be conducted within the same buildings, the district supervisor may require elevational plans of such buildings.

(Secs. 2873, 2904, I. R. C.)

§ 185.226 *Colors for pipelines.* The pipelines of warehouse located on distillery premises must be shown on the plans in the colors in which they are required to be painted, as follows:

Black.....	Distilled spirits.
White.....	Water.
Aluminum.....	Steam.
Orange.....	Air.
Purple.....	Refrigerants.

(Secs. 2873, 2904, I. R. C.)

§ 185.227 *Location of valves, flanges, locks, etc.* All valves, flanges, and other connections in pipelines must be properly indicated on the plans: *Provided*, That where flanges, unions, or other connections in pipelines are brazed, welded, or otherwise permanently secured in such a manner as to constitute a continuous, single pipeline, the location of such flanges, unions, or other connections, and the manner of securing the same, need not be shown on the plans. The location of all Government locks required to secure the apparatus and equipment, and the doors of rooms and buildings, must be indicated on the plans by the symbol "GL" at the points where the locks are to be attached.

(Sec. 2873, I. R. C.)

§ 185.228 *Pipelines exempted.* Approved public or private utility service lines, such as sewers, electric or gas conduits or pipes, and approved sprinkler, refrigeration, or heating systems which have no connection with equipment used for spirits, need not be shown on the plans, provided that the point of entry to the bonded premises shall be indicated on the plans.

(Sec. 2873, I. R. C.)

§ 185.229 *Certificate of accuracy.* The plat and plans shall bear a certificate of accuracy in the lower right hand corner of each sheet, signed by the proprietor, the draftsman, and the district super-

visor, substantially in the following form:

(Name of warehouseman)
(Address)
Approved _____
(Date)
(District supervisor)
Accuracy certified by: _____
(Name and capacity—for the proprietor)
(Draftsman)
19____ Sheet No.____
IRBW No. _____

(Sec. 2873, I. R. C.)

§ 185.230 *Revised plats and plans.* The sheets of revised plats and plans shall bear the same number as the sheets superseded, but will be given a new date. Any additional plats and plans shall be given a new number in consecutive order, or will be otherwise numbered and lettered in such manner as will permit the filing of the plats and plans in proper sequence.

(Sec. 2873, I. R. C.)

SUBPART J—REQUIREMENTS GOVERNING CHANGES IN NAME, PROPRIETORSHIP, CONTROL, LOCATION, PREMISES AND EQUIPMENT, AND IN THE TITLE TO THE WAREHOUSE PROPERTY

§ 185.240 *Change in name.* Where there is a change in the individual, firm, or corporate name of the proprietor of an internal revenue bonded warehouse, he must comply with the following requirements:

(a) *Amended application, Form 27-D.* Submit to the district supervisor an amended application on Form 27-D, in triplicate, covering the new name, which application must be approved before operations may be commenced under the new name.

(b) *Amended permit.* If engaged in the business of warehousing and bottling distilled spirits, and if other than an agency of a State or political subdivision thereof, or an officer or employee of any such agency, procure from the district supervisor an amended basic permit under the Federal Alcohol Administration Act authorizing the warehousing and bottling of distilled spirits under the new name.

(c) *Amended articles of incorporation, etc.* In the case of a corporation, submit to the district supervisor certified copies, in triplicate, of the amended articles of incorporation and the amended certificate of incorporation issued under the laws of the State in which incorporated covering the change in the corporate name. If the operations are conducted in a State other than the State in which incorporated, there must also be submitted to the district supervisor certified copies, in triplicate, of the amended certificate issued under the laws of the State in which the operations are conducted, authorizing the corporation to operate under its new name in such State. If other documents than those specified are required under the laws of the State to effect a change in the name of the corporation, certified copies, in triplicate, of such documents

must be submitted with the application, Form 27-D, in lieu of those specified.

(d) *Amended articles of copartnership or association.* If the proprietor of the warehouse is a copartnership or association, submit to the district supervisor certified copies, in triplicate, of the amended articles of copartnership or of association, if any.

(e) *Trade name certificate.* In the case of a change in the firm or trade name, submit to the district supervisor certified copies, in triplicate, of the certificate or other document filed with or issued by State officials under the laws of the State to cover the transaction of business under such firm or trade name. If no such certificate or other document is required by the laws of the State to be filed with or issued by any State official to cover the transaction of business under a firm or trade name, the proprietor shall furnish a statement, in triplicate, to that effect.

(f) *Sign.* Change the warehouse sign to conform to the provisions of § 185.100.

(g) *Records.* Upon approval of the documents covering the change in name, note on the records for the current month the change in name.

(Secs. 2873, 2904, I. R. C.)

CHANGE IN PROPRIETORSHIP

§ 185.241 *Discontinuance.* Where there is to be a change in the proprietorship of an internal revenue bonded warehouse the outgoing proprietor must comply with the requirements outlined in §§ 185.242 to 185.245.

(Secs. 2872, 2873, 2879, I. R. C.)

§ 185.242 *Application, Form 27-D.* The outgoing proprietor of an internal revenue bonded warehouse must submit to the district supervisor Form 27-D, in triplicate, stating thereon the purpose to be "Transfer of business to _____" (Successor)

and giving the date of the proposed transfer.

(Secs. 2872, 2873, 2879, I. R. C.)

§ 185.243 *Transfer of spirits.* Upon qualification of the successor, the outgoing proprietor of an internal revenue bonded warehouse must transfer the spirits in the warehouse to him pursuant to application of the successor on Form 236.

(Secs. 2872, 2873, 2879, I. R. C.)

§ 185.244 *Records.* Upon transfer of the business to the successor, the outgoing proprietor of an internal revenue bonded warehouse must complete Form 52C and file with the district supervisor a final report on such form in accordance with Subpart WW of this part. A notation of the transfer of the business to the successor will be made on such final report.

(Secs. 2872, 2873, 2879, I. R. C.)

§ 185.245 *Disposition of stamps.* The outgoing proprietor may not transfer any domestic or export strip stamps to his successor. The stamps must be disposed of as provided in § 185.287.

(Sec. 2903, I. R. C.)

§ 185.246 *Qualification of successor.* Where there is to be a change in the

proprietorship of an internal revenue bonded warehouse, the successor must comply with the requirements outlined in §§ 185.247 to 185.253.

(Secs. 2872, 2873, 2879, I. R. C.)

§ 185.247 *Nonfiduciary successor.* If the change in proprietorship is brought about otherwise than by operation of law, as by the appointment of an administrator, executor, receiver, trustee, assignee, or other fiduciary, the successor must qualify in the same manner as the proprietor of a new warehouse, except that he may adopt the plat and plans of his predecessor, as provided in § 185.250.

(Secs. 2872, 2873, 2879, I. R. C.)

§ 185.248 *Fiduciary.* If the successor is an administrator, executor, receiver, trustee, assignee, or other fiduciary, and intends to receive spirits, or to possess or dispose of spirits on hand in the warehouse, he must comply with the provisions of Subpart G of this part to the extent that such provisions are applicable, except that in lieu of filing new transportation and warehousing bonds, and new plat and plans, the fiduciary may furnish consents of surety extending the terms of his predecessor's bonds and adopt the plat and plans of such predecessor. The fiduciary must also furnish certified copies, in triplicate, of the order of the court, or other pertinent documents, showing his qualification as such fiduciary. The effective date of the qualifying documents filed by a fiduciary should be the same as the date of the court order, or the date specified therein for him to assume control.

(Secs. 2872, 2873, 2879, I. R. C.)

§ 185.249 *Consent of surety.* The consents of surety extending the terms of the predecessor's bonds to cover operation of the warehouse by a fiduciary, must conform to the requirements of § 185.205 and be executed by both the fiduciary and the surety.

(Secs. 2872, 2873, 2879, I. R. C.)

§ 185.250 *Adoption of plat and plans.* The plat and plans of the warehouse may be adopted by a successor where they correctly describe and depict the warehouse premises and the buildings, apparatus and equipment thereon, to be taken over by the successor. The adoption by a successor of the plat and plans of his predecessor shall be in the form of a certificate, in triplicate, in which shall be set forth the name of the predecessor, the address and registered number of the warehouse, a description of the warehouse premises, the number of each sheet comprising each plat or plan covered by such certificate, and a statement that the warehouse premises and the buildings, apparatus, and equipment thereon are correctly described and depicted on such plat and plans.

(Secs. 2872, 2873, 2879, I. R. C.)

§ 185.251 *Sign.* The successor, if other than a fiduciary temporarily operating the warehouse, must change the warehouse sign to conform to the requirements of § 185.100.

(Secs. 2872, 2873, 2879, I. R. C.)

§ 185.252 *Transfer application, Form 236.* The successor must submit to the district supervisor application on Form 236, in quadruplicate, for the transfer to him of the spirits in the warehouse on the effective date of the change in proprietorship.

(Secs. 2872, 2873, 2879, I. R. C.)

§ 185.253 *Commencement of operations.* The successor may not commence operations until the required qualifying documents have been approved.

(Secs. 2872, 2873, 2879, I. R. C.)

§ 185.254 *Completion of bottling-in-bond operations required.* When a succession or actual change takes place in the proprietorship of an internal revenue bonded warehouse in which a bottling-in-bond department is being operated, other than a change brought about by operation of law, as by the appointment of an administrator, executor, assignee, receiver, trustee, debtor in possession in bankruptcy proceedings, or other fiduciary, the bottling of spirits must, except as hereinafter provided, be completely finished by the person or persons who have been carrying on the business, and all spirits removed from the bottling-in-bond department before the business shall be undertaken or begun by the succeeding proprietor. Where a change of proprietorship has been brought about by operation of law, the administrator, executor, assignee, receiver, trustee, debtor in possession in bankruptcy proceedings, or other fiduciary, may not commence or complete operations until the required qualifying documents have been filed and approved.

(Sec. 2904, I. R. C.)

§ 185.255 *Completion of operations by fiduciary.* If an administrator, executor, assignee, receiver, trustee, debtor in possession in bankruptcy proceedings, or other fiduciary, succeeds to the business while spirits are in the process of bottling, and he qualifies to conduct the business as required by this part, he shall make appropriate notation of his succession on each Form 1515, and upon completion of the bottling, he shall complete the execution of the forms and otherwise proceed as specified in this part. The storekeeper-gauger will make similar notation of such succession on Form 1513 and Form 1606.

(Sec. 2904, I. R. C.)

§ 185.256 *Changes in partnership.* The withdrawal of one or more members of a partnership, or the taking in of a new partner, whether active or silent, shall constitute a change in proprietorship. Likewise, the bankruptcy or adjudicated insolvency of one or more of the copartners results in a dissolution of the copartnership and consequently a change in proprietorship. Where such a change in proprietorship of the warehouse occurs, the successor must qualify in the same manner as the proprietor of a new warehouse, except that the successor may adopt the plat and plans of his predecessor, in the manner prescribed by § 185.250.

(Secs. 2873, 2879, I. R. C.)

§ 185.257 *Changes in stockholders, officers, and directors of corporation.* The sale or transfer of the capital stock of a corporation operating an internal revenue bonded warehouse does not constitute a change in proprietorship of the warehouse. However, where the sale or transfer of capital stock results in a change in the control or management of the business, or where there is any change in the officers or directors, the proprietor must give notice thereof, in triplicate, to the district supervisor within 24 hours of such change. Mere changes in stockholders of the corporation not constituting a change in control need not be so reported. The district supervisor must, in the case of changes in officers or directors, be furnished extracts, in triplicate, of the minutes of the meetings showing such changes.

(Sec. 2873, I. R. C.)

§ 185.258 *Reincorporation.* Where a corporation operating an internal revenue bonded warehouse is reorganized and a new charter or certificate of incorporation is secured, the new corporation must qualify in the same manner as the proprietor of the new warehouse, except that the new corporation may adopt the plat and plans of the predecessor, in the manner prescribed by § 185.247.

(Secs. 2873, 2879, I. R. C.)

§ 185.259 *Change in location.* Where there is to be a change in the location of the warehouse premises, the proprietor must comply with all applicable provisions of this part, except that in lieu of the filing of a new transportation and warehousing bond, Form 1571, the proprietor may furnish consent of surety, Form 1533, in accordance with § 185.205, extending the terms of such bond given for the former location to cover operation of the warehouse at the new location.

(Secs. 2873, 2879, I. R. C.)

§ 185.260 *Changes in premises.* Where the premises are to be extended or curtailed, the proprietor must file with the district supervisor an amended application, Form 27-D, and an amended plat of the premises as extended or curtailed, except as herein specifically authorized in the case of alternate operations of the bottling department. If the plans are affected by the extension or curtailment, they must also be amended. The additional premises covered by an extension may not be used for bonded warehouse purposes, and the portion of the warehouse premises to be excluded by curtailment may not be used for other than warehouse purposes prior to approval of the application, Form 27-D, plat, and plans, if required, filed in connection therewith. Where an internal revenue bonded warehouse contains a bottling-in-bond department, and the documents required by this part governing the alternate operation of a bottling house as a bottling-in-bond department and a tax-paid bottling house, are filed, and no change in proprietorship is involved, the filing of additional applications, Form 27-D, covering changes in the temporary status thereof from time to time, will not be required. Where a warehouse build-

ing on distillery premises, on which a lien for taxes has attached under section 2800 (e), I. R. C., is demolished or altered, the provisions of Regulations 4 and 5 (26 CFR, Parts 183 and 184), relative to the filing of indemnity bonds, will be followed.

(Secs. 2873, 2904, I. R. C.)

§ 185.261 *Changes in construction and use.* Where a change is to be made in the construction of a room or building not involving an extension or curtailment of the warehouse premises, or where a change is to be made in the use of any portion of such premises, the proprietor shall first secure approval thereof by the district supervisor pursuant to application, in triplicate, setting forth specifically the proposed changes. Upon approval of the application, the changes will be made under the supervision of a Government officer. The completed changes will be reflected in the next amended application, Form 27-D, and amended plans filed by the warehouseman, unless the district supervisor requires the immediate filing of an amended application and amended plans.

(Sec. 2873, I. R. C.)

§ 185.262 *Changes in equipment.* Where changes are to be made in the apparatus and equipment of the warehouse, the proprietor shall first secure approval thereof by the district supervisor pursuant to application, in triplicate, setting forth specifically the proposed changes: *Provided*, That emergency repairs may be made under the supervision of the Government officer without prior approval of the district supervisor. Where such emergency repairs are made the proprietor shall file immediately a report thereof, in triplicate, with the district supervisor. Changes covered by an approved application will also be made under the supervision of a Government officer. Upon completion of any changes made under his supervision, the Government officer will authorize the removal of the dismantled equipment and the use of the new or repaired equipment, and submit a report, in triplicate, of the changes to the district supervisor. Where changes in equipment are made in internal revenue bonded warehouses located on distillery premises and a lien for taxes has attached to such equipment under section 2800 (e), I. R. C., the provisions of Regulations 4 and 5 (26 CFR Parts 183 and 184) relative to the filing of indemnity bonds will be followed.

(Sec. 2873, I. R. C.)

§ 185.263 *Amended notice and plans covering changes in equipment.* Upon completion of changes in equipment which materially affect the accuracy of the Form 27-D or plans, the proprietor must file an amended notice and amended plans. Where an amended notice and amended plans are not filed immediately upon completion of minor changes in equipment (such as general repairs, changes in pipelines, or the addition or removal of a tank), the proprietor must include such changes in the next amended application and plans filed

by him: *Provided*, That the Commissioner or the district supervisor may, at any time in his discretion, require the immediate filing of an amended application and plans covering any change in equipment.

(Sec. 2873, I. R. C.)

§ 185.264 *Change of title*. Whenever there is a change in the proprietor's title to, or interest in, the warehouse premises, or in the terms of his occupancy of such premises, he must file amended application, Form 27-D, covering such change.

(Sec. 2873, I. R. C.)

SUBPART K—REQUIREMENTS GOVERNING ALTERNATE OPERATIONS OF BOTTLING-IN-BOND DEPARTMENT AS TAXPAID BOTTLING HOUSE

§ 185.270 *Basic qualifications required*. The bottling-in-bond department of an internal revenue bonded warehouse may be operated alternately for bottling distilled spirits in bond, and bottling distilled spirits after removal from bond in accordance with Regulations 11 (26 CFR, Part 189): *Provided*, That such operation as a taxpaid bottling house does not involve the storage or retention of taxpaid spirits on distillery premises. The basic qualifications for the establishment of a taxpaid bottling house shall be in accordance with Part 189 of this chapter, and where the bonded warehouse is located on the premises of a registered distillery or fruit distillery, it is also necessary to follow provisions of Regulations 4 (26 CFR, Part 183) or Regulations 5 (26 CFR, Part 184), respectively, relative to the filing of amended notice on Form 27-A or 27½, plat and other documents. Where it is proposed to operate an established bottling-in-bond department temporarily as a taxpaid bottling house, it will be necessary to file (a) qualifying documents curtailing the bonded premises to exclude the bottling department, (b) qualifying documents establishing the taxpaid bottling house, and (c) a blanket consent of surety, Form 1533, by the principal and surety, extending the terms of bond, Form 1571, to cover the alternate use of the bottling-in-bond department as a taxpaid bottling house. Such blanket consent may be executed in the following form:

To continue in effect the said bond, notwithstanding the exclusion of the bottling-in-bond department from time to time for use temporarily as a taxpaid bottling house, in accordance with Notice, Form 404, filed by the principal.

The basic qualifying documents having once been filed by the proprietor and approved by the district supervisor, the operating status of the bottling department, that is, for bottling in bond or temporarily for taxpaid bottling, shall be approved by the district supervisor on Form 404, in accordance with § 185.272.

(Secs. 2871, 2904, 3170, 4041, I. R. C.)

§ 185.271 *Approval required before resumption*. When it is desired to resume operations of the bottling-in-bond department following the suspension of operations as a taxpaid bottling house, authority therefor must be obtained

from the district supervisor on Form 404 before actual resumption of operations.

(Secs. 2903, 2904, I. R. C.)

§ 185.272 *Suspension procedure*. When the proprietor of an internal revenue bonded warehouse desires to suspend operations of his bottling-in-bond department in order that it may be operated temporarily as a taxpaid bottling house, he must complete the bottling of all spirits, and remove such bottled spirits from the bottling-in-bond department, and upon suspension of the bottling-in-bond department, comply with the following requirements:

(a) *Notice, Form 404*. File with the district supervisor, Form 404, "Bottling-in-Bond Notice," in triplicate, for authority to suspend bottling-in-bond operations and to use the premises temporarily as a taxpaid bottling house. The form shall be executed in accordance with the instructions printed thereon, and disposed of in accordance with § 185.317.

(b) *Communicating doors to be closed*. Close and lock, and keep locked, the communicating doors (if any) between the bottling-in-bond department and the storage portion of the warehouse, in accordance with § 185.72.

(c) *Locking of outside doors*. During the period the bottling house is operated as a taxpaid bottling house, the outside doors of the bottling house shall be locked at night with a Government lock.

(Secs. 2871, 2904, 3170, 4041, I. R. C.)

§ 185.273 *Resumption procedure*. Where the premises have been operated temporarily as a taxpaid bottling house and the proprietor desires to resume operations thereof as a bottling-in-bond department of the internal revenue bonded warehouse, he must comply with the following requirements:

(a) *Notice, Form 404*. File with the district supervisor, Form 404, in triplicate, for authority to suspend taxpaid bottling house operations and resume bottling-in-bond operations. The form shall be executed in accordance with instructions printed thereon, and disposed of in accordance with § 185.317.

(b) *Completion of bottling*. Complete all bottling of spirits, and remove such spirits from the taxpaid bottling house prior to suspension of operations.

(Secs. 2871, 2904, 3170, 4041, I. R. C.)

SUBPART L—REQUIREMENTS GOVERNING THE BOTTLING OF DISTILLED SPIRITS UNDER A TRADE NAME

§ 185.280 *General*. The proprietor must bottle distilled spirits in bond under his real name or the trade name in which the warehouse is operated: *Provided*, That if the proprietor is also a distiller and has produced and warehoused spirits under a trade name, he may, under such trade name, bottle such spirits, and spirits produced by other distillers, upon compliance with the following requirements:

(a) *Application, Form 27-D*. Submit to the district supervisor an amended application on Form 27-D, in triplicate, reciting therein the trade name or names, which application must be approved

before the spirits may be bottled under such trade name or names.

(b) *Permit*. The bottler must file an application for amendment of the Federal Alcohol Administration Act basic permit to authorize the bottling and labeling of distilled spirits under the trade name.

(c) *Notice, Form 404*. Upon approval of the application on Form 27-D, submit Form 404, "Bottling-in-Bond Notice," in triplicate, to the district supervisor, as provided in § 185.936.

(Secs. 2903, 2904, I. R. C.)

SUBPART M—DISCONTINUANCE OF BOTTLING-IN-BOND DEPARTMENT

§ 185.285 *Disposition of spirits*. Upon permanent discontinuance of a bottling-in-bond department, and prior to the filing of notice thereof on Form 27-D, as prescribed in § 185.288, and Form 404, all spirits on hand must be lawfully removed from the department.

(Sec. 2904, I. R. C.)

§ 185.286 *Disposition of indicia bottles*. If there are any indicia bottles on hand, the same will be inventoried by the storekeeper-gauger or other officer designated for the purpose by the district supervisor. The disposition of such bottles will be in accordance with the procedure prescribed in Regulations 13 (26 CFR, Part 175).

(Secs. 2871, 2904, I. R. C.)

§ 185.287 *Disposition of bottled in bond stamps*. All unused bottled in bond stamps, if any, belonging to the proprietor at the time of permanent discontinuance of business will be inventoried by denomination, serial number, and quantity, by the storekeeper-gauger or other officer designated by the district supervisor to perform such duty. The officer will deliver such stamps to the proprietor and take his receipt therefor, in triplicate. When delivering the stamps the officer will advise the proprietor that the value of the stamps, if in quantities of the value of \$5 or more, may be refunded: *Provided*, That a claim for such refund on Form 843, establishing the lawful issuance and ownership of the stamps, is filed with the collector of internal revenue who issued the stamps within two years after the date on which such stamps were lawfully issued or that such unused stamps may be destroyed in the presence of a Government officer, and the proprietor thereby relieved from further accountability for the stamps. If the stamps are not surrendered to the collector for refund of their value or are not destroyed, the proprietor must account for the stamps each month by rendering Form 96, properly modified, in duplicate, to the district supervisor. The officer shall make a notation on the receipt as to the disposition made or to be made of the stamps. One copy of the receipt will be delivered to the proprietor and the original and one copy will be delivered to the district supervisor, who will forward the original to the Commissioner. The storekeeper-gauger will make appropriate notation on Form 1606 of the disposition made of the bottled in bond stamps (if any) on hand at the

time of permanent discontinuance of business by the proprietor.

(Sec. 2903, I. R. C.)

§ 185.288 *Notice, Form 27-D.* When all spirits, indicia bottles, and strip stamps have been lawfully disposed of, the proprietor shall file Form 27-D, in triplicate, with the district supervisor, stating the purpose of the filing thereof to be "Permanent discontinuance of bottling-in-bond department." The district supervisor will forward the original of Form 27-D to the Commissioner, with a copy of the report of the Government officer, reflecting compliance with the provisions of this part.

(Sec. 2904, I. R. C.)

§ 185.289 *Notice, Form 404.* The proprietor must submit with the Form 27-D required by § 185.288, notice on Form 404, in triplicate, stating the purpose of the filing thereof to be "Permanent discontinuance of bottling-in-bond department."

(Sec. 2904, I. R. C.)

SUBPART N—DISCONTINUANCE OF WAREHOUSE

§ 185.295 *Discontinuance by Commissioner.* Whenever, in the opinion of the Commissioner, any internal revenue bonded warehouse is unsafe or unfit for use, or the spirits therein are liable to loss or great wastage, he may discontinue such warehouse and require the spirits therein to be transferred to such other warehouse as he may designate, and within such time as he may prescribe. Such transfer shall be made under the supervision of the district supervisor, or of such other officer as may be designated by the Commissioner, and the expense thereof shall be paid by the owner of the spirits. Whenever the owner of the spirits fails to make such transfer within the time prescribed, or pay the just and proper expense of such transfer, as ascertained and determined by the Commissioner, such spirits may be seized and sold by the collector in the same manner as goods are sold upon distraint for taxes, and the proceeds of such sale shall be applied to the payment of the taxes due thereon and the cost and expense of such sale and removal, and the balance paid over to the owner of the spirits.

(Sec. 2874, I. R. C.)

§ 185.296 *Discontinuance by proprietor.* If the proprietor of an internal revenue bonded warehouse desires to discontinue the warehouse after all spirits deposited therein have been lawfully removed therefrom, he will file Form 27-D, in triplicate, with the district supervisor, stating therein the purpose of the form to be "Discontinuance of warehouse," and giving the date the discontinuance is to be effective. The proprietor will furnish in connection with such form a statement as to whether there are any spirits in transit to the warehouse and whether there are any outstanding approved applications, Form 236, for the transfer to the warehouse of spirits which have not yet been released from the distillery or bonded warehouse from which they were to be withdrawn, and will secure the return of

all such applications to the district supervisor for cancellation.

SUBPART O—ACTION BY DISTRICT SUPERVISOR

ORIGINAL ESTABLISHMENT

§ 185.300 *Examination of qualifying documents.* Upon receipt of application, plat, plans, transportation and warehousing bond, and other documents required by this part of persons desiring to establish an internal revenue bonded warehouse, the district supervisor will examine the same to determine whether they have been properly executed and whether they reflect compliance with the requirements of the law and this part. Where any required document has not been filed, or where errors or discrepancies are found in those filed, or where the documents filed do not reflect compliance with this part, action thereon will be held in abeyance until the omission, or error or discrepancy, has been rectified, and there has been full compliance with all requirements.

§ 185.301 *Inspection of premises.* Where the required documents have been filed in proper form, the district supervisor will assign an inspector to examine the premises, buildings, apparatus, and equipment, to determine whether they conform to the description thereof in the application, plat, and plans, and whether the construction and measures of protection afforded meet the requirements of the law and regulations in this part. The inspector will observe particularly the manner in which the buildings or rooms constituting the warehouse are separated from each other and from other premises, means of communication, ingress and egress, adequacy of protection afforded windows, doors, and other openings, construction of apparatus and equipment, and the suitability of the gauging facilities and of the Government office. Where the inspection discloses minor irregularities in the qualifying documents or in the construction, the inspector will at the time of the discovery of such irregularities direct the attention of the proprietor to the same in order that the proprietor may correct the defects before completion of the inspection. Upon completion of the inspection, a report thereof will be submitted to the district supervisor.

§ 185.302 *Examination of tanks.* The district supervisor will, in every case, require an officer to examine carefully each tank to see that it is constructed in strict compliance with this part. The officer will test the accuracy of the scales or measuring devices required to be provided for the tanks, and if it is found that the same are not strictly accurate, or if any portion of the equipment does not conform to the requirements of this part, he will not recommend approval of the tanks until the proper changes are made.

§ 185.303 *Test of scales and measuring devices.* The test of the accuracy of the scales or measuring devices of storage tanks mounted on scales and of bottling tanks and gauging tanks must be an actual one. Where tanks are mounted on scales, the accuracy of the scales shall be

determined in the manner provided by § 185.577. Where tanks are not mounted on scales the tests may be made by filling the tanks with water and drawing off several precise quantities, observing after each withdrawal that the quantity remaining is correctly indicated by the measuring devices and that the quantity withdrawn agrees with that indicated by the measuring devices. An accurate water meter, where available, may likewise be used to check the calibration of the tanks.

§ 185.304 *Approval of tanks.* When the officer who is required to examine the tanks is satisfied that the same and the attachments thereto are properly constructed, and that the scales or measuring devices are accurate, he will so report to the district supervisor, in writing, and will securely attach to each bottling tank a certificate on Form 244. No tank or attachment thereto shall be used until the same has been approved and, in the case of a bottling tank, a certificate has been attached.

§ 185.305 *Report of inspection.* The report of inspection shall describe separately all irregularities and discrepancies found during the course of inspection, and shall include a complete statement describing all unusual or special conditions. The construction of the ground or first floor of the warehouse, including the materials used, shall be described, and particularly whether the construction is such as would permit removal and replacement of portions of the floor without detection. Where irregularities are corrected during the inspection, the report will indicate the corrections so made. The report need not set out in detail each description as set forth in the application, plat and plans. The description of buildings and equipment in the report should be general and brief. However, construction, equipment, signs, etc., which are not in conformity with law and the regulations in this part will be completely described. If there are any pipe lines or other connections or openings between the warehouse premises and other premises, the same shall be described in detail. There shall also be included in the report information as to whether the methods of storage to be employed are such as will permit ready inspection and examination of packages and other containers of spirits, and where the warehouse is not situated on or contiguous to distillery premises, all pertinent facts respecting suitability of location and adequacy of the capacity and transportation facilities will be set forth.

§ 185.306 *Inaccurate documents.* Where the district supervisor's examination, or the inspector's report, discloses discrepancies in the qualifying documents, the inaccurate or incomplete documents will be returned to the proprietor for correction. A record will be kept of all bonds so returned.

§ 185.307 *Defective construction.* Where it is found that the construction of the warehouse or its equipment does not conform to the requirements of the law and this part, the district super-

visor will inform the proprietor concerning the defects, and further action will be held in abeyance pending correction thereof.

§ 185.308 Law violation record. Before approving any application for the establishment of an internal revenue bonded warehouse, the district supervisor will make such inquiry or investigation as may be deemed necessary to ascertain whether the individual, firm, partnership, corporation, or association submitting the same, or any person owning, controlling, or actively participating in the management of the business, has been convicted in a court of competent jurisdiction of (a) any fraudulent non-compliance with any provision of any law of the United States if such provision related to internal-revenue or customs taxation of distilled spirits, wines, or fermented malt liquors, or if such an offense shall have been compromised with the individual, firm, partnership, corporation, or association upon payment of penalties or otherwise, or (b) any felony under a law of any State, Territory, or the District of Columbia, or the United States, prohibiting the manufacture, sale, importation, or transportation of distilled spirits, wine, fermented malt liquor, or other intoxicating liquor. Where record is found of the conviction or compromise of such offense, the district supervisor may disapprove the application upon the basis of his findings: *Provided*, That if an application is disapproved the applicant may appeal to the Commissioner.

(Sec. 2872, I. R. C.)

§ 185.309 Other causes for disapproval. The district supervisor will not approve any application for the establishment of an internal revenue bonded warehouse unless (a) the capacity of the warehouse is commensurate with the prospective needs of the area or locality in which it is situated and in any event not less than 10,000 barrels, less any equivalent thereof in tank or case storage, (b) the location is suitable, (c) the transportation facilities are adequate, (d) the design and construction of the warehouse are such as to insure economical supervision by Government officers, and (e) the prospective volume of spirits that will be received, stored, withdrawn, and bottled at the warehouse is sufficient to warrant the establishment of the warehouse and the expense of Government supervision: *Provided*, That these provisions shall not be applicable where the warehouse is an original warehouse to be operated by the distiller (not including lessee distillers) on or contiguous to the distillery premises, or is a second warehouse which the distiller desires to operate on premises contiguous to or near such original warehouse on account of lack of storage space in the original warehouse and the impracticability of expanding such warehouse. In any case where the warehouse has a bottling-in-bond department and the applicant is not entitled to a permit under the Federal Alcohol Administration Act, the district supervisor will, upon disapproval of the permit application, return all copies of the qualifying documents to

the applicant without action thereon or reference to the Commissioner.

(Sec. 2872, I. R. C.)

§ 185.310 Approval of qualifying documents. If the district supervisor finds, upon examination of the inspection report and qualifying documents, that the person seeking the establishment of the internal revenue bonded warehouse has complied in all respects with the requirements of the law and this part, and that the application and other qualifying documents may properly be approved under §§ 185.308 and 185.309, he will assign a registry number in accordance with § 185.311, note his approval on all copies of the application, the transportation and warehousing bond, and on all copies of the plat and plans, and shall dispose of the qualifying documents and inspectors' reports in accordance with § 185.313. If the warehouse has a bottling-in-bond department, the issuance of a permit under the Federal Alcohol Administration Act should be withheld pending approval of the application, bond, and other qualifying documents required by the internal revenue laws and this part.

§ 185.311 Registry numbers. Internal revenue bonded warehouses will be numbered serially in the order of their establishment. A separate series will be used for each State. Registry numbers heretofore assigned will be retained and new warehouses will be assigned numbers in sequence thereto. Registry numbers previously assigned to discontinued warehouses will not be reassigned to other warehouses. The same registry number will be continued whenever there is a change of proprietorship.

(Sec. 2873, I. R. C.)

§ 185.312 Disapproval of qualifying documents. If the district supervisor finds that the applicant has not complied in all respects with the requirements of the law and this part, or that the application should be disapproved pursuant to § 185.308 or § 185.309, he will note his disapproval on the application, and will dispose of all qualifying documents in accordance with § 185.313.

§ 185.313 Disposition of qualifying documents. Where the district supervisor approves the qualifying documents, he will forward to the applicant one copy of the documents with the original of the basic permit issued under the Federal Alcohol Administration Act, forward to the Commissioner the originals of the qualifying documents and a copy of the basic permit issued under the Federal Alcohol Administration Act, together with copies of inspection reports, and retain one copy of the qualifying documents for the file of the applicant. If the qualifying documents are disapproved, the district supervisor shall note his disapproval on all copies of the application with brief statements of his reasons therefor, and return to the applicant by registered mail, one copy of the disapproved application, together with all copies of the qualifying documents, and all copies of the bond without action thereon. The district supervisor shall forward one copy of the disap-

proved application to the Commissioner and will advise him fully respecting the disapproval thereof. He shall retain the remaining papers in his file. If the applicant is not entitled to a basic permit, the district supervisor will, upon disapproval of the application therefor, return all copies of the qualifying documents to the applicant without action thereon.

(Sec. 3170, I. R. C.)

§ 185.314 Notice of penal sum of bond. The district supervisor will inform the storekeeper-gauger in charge of each internal revenue bonded warehouse in his district of the penal sum of the approved transportation and warehousing bond. The district supervisor will advise the storekeeper-gauger currently of any change in the penal sum of such bond.

CHANGES SUBSEQUENT TO ORIGINAL ESTABLISHMENT

§ 185.315 Procedure applicable. The provisions of §§ 185.300 to 185.314 respecting the action required of district supervisors in connection with the original establishment of internal revenue bonded warehouses will be followed, to the extent applicable, where there is a change in the name of the proprietor, or in the proprietorship, location, premises, construction, apparatus, and equipment of the warehouse, or in the title to the warehouse property, or where consents of surety or superseding or additional bonds are submitted: *Provided*, That where the premises are extended or curtailed to provide for alternate operation of the bottling-in-bond department as a taxpaid bottling house, the procedure prescribed in §§ 185.270 to 185.272 will be followed.

§ 185.316 Application covering changes. Where an application covering changes in warehouse buildings or apparatus or equipment is approved by the district supervisor, he will retain one copy of the application and forward one copy to the proprietor and one copy to the Commissioner, and when reports covering changes in apparatus and equipment are received from Government officers in accordance with § 185.262, he will retain one copy and promptly forward one copy to the Commissioner. Similar disposition will be made of reports received from the proprietor covering emergency repairs of apparatus and equipment.

§ 185.317 Notice of commencement, Form 404. Where a bottling-in-bond department has been approved, the proprietor of the warehouse will, before engaging in the business of bottling spirits, give notice to the district supervisor through the storekeeper-gauger in charge of the warehouse on Form 404, "Bottling-in-Bond Notice," in triplicate, executed in accordance with the instructions printed thereon, of his intention to bottle distilled spirits in bond. Upon approval of Form 404 by the district supervisor, two copies will be forwarded to the storekeeper-gauger in charge, and the original copy will be retained in his office. The storekeeper-gauger will deliver one copy to the proprietor, and the other copy will be retained by him in the Government office.

§ 185.318 *Inspection.* Upon receipt of Form 27-D for the discontinuance of an internal revenue bonded warehouse, accompanied by a statement of the proprietor showing that there are no spirits in transit to the warehouse and no outstanding approved applications, Form 236, for the transfer of spirits to the warehouse, the district supervisor will cause an inspection to be made of the warehouse and the storekeeper-gauger's records to determine whether all spirits deposited in the warehouse have been withdrawn and properly accounted for. Likewise, where the warehouse is to be discontinued by the Commissioner, as provided in § 185.295, and all spirits in transit to the warehouse have been received and all spirits deposited therein have been removed, the district supervisor will cause an inspection of the storekeeper-gauger's records to be made to determine whether all spirits deposited in the warehouse have been properly accounted for.

§ 185.319 *Removal of Government property.* When all spirits have been withdrawn from an internal revenue bonded warehouse which is to be discontinued, the district supervisor will cause the removal from the warehouse of all Government locks, keys, seals, gauging instruments, records, and other Government property. The property specified will be forwarded to the office of the district supervisor as surplus property, unless the district supervisor should deem the transfer of the property, or a part thereof, to some other plant under his jurisdiction to be advisable and proper, in which event he will direct such disposition to be made thereof. Entry Forms 1520, 1619, and 1620 covering the deposit of spirits in the warehouse will be so stored that they may be referred to when necessary.

§ 185.320 *Storekeeper-gauger's report.* Upon completion of the inspection of the warehouse and Government records and the removal of Government property, the storekeeper-gauger or other Government officer charged with such duty will submit a report to the district supervisor.

§ 185.321 *District supervisor's report.* If the district supervisor finds, upon receipt of the report from the storekeeper-gauger or other Government officer, that all spirits deposited in the warehouse have been withdrawn and properly accounted for, he will note his approval on all copies of Form 27-D and forward the original, together with a copy of the Government officer's report, to the Commissioner. Where discontinuance of the warehouse was ordered by the Commissioner, the district supervisor will forward to the Commissioner, a complete report of the removal of the spirits from the warehouse, together with a copy of the Government officer's report of the inspection of the storekeeper-gauger's records and the removal of the Government property from the warehouse.

SUBPART P—ACTION BY COMMISSIONER

§ 185.330 *Review of documents.* The Commissioner will review the action of the district supervisor relating to the original establishment of an internal

revenue bonded warehouse, or change in the name of the proprietor, or in the proprietorship, location, premises, construction, apparatus, and equipment of the warehouse. If it is found that the action is not in conformity with the requirements of law and the provisions in this Part, the Commissioner will advise the district supervisor as to the necessary action to be taken.

(Secs. 2872, 2873, 2879, I. R. C.)

§ 185.331 *Discontinuance of warehouse.* The Commissioner will review Form 27-D covering the discontinuance of an internal revenue bonded warehouse, and reports forwarded in connection therewith, to determine whether appropriate action has been taken concerning the discontinuance.

SUBPART Q—TERMINATION OF BONDS

§ 185.335 *Transportation and warehousing bonds.* Transportation and warehousing bonds, Form 1571, may be terminated as to liability (a) for spirits consigned to the internal revenue bonded warehouse after a specified future date, pursuant to application by the surety as provided in § 185.340, (b) for transactions subsequent to the effective date of an approved superseding bond, or (c) for future transactions upon discontinuance of business by the principal after withdrawal of all spirits from the warehouse.

(Sec. 2872, I. R. C.)

§ 185.336 *Direct export bonds.* Bonds covering a specific lot of distilled spirits withdrawn for direct export, Form 547, will be terminated by the district supervisor by marking the bond "Canceled," followed by the date of cancellation, upon receipt of evidence of the landing of the spirits in a foreign country or satisfactory proof of loss at sea: *Provided*, That where there is a deficiency, the bond will not be canceled by the district supervisor until liability for the deficiency has been terminated. Continuing bonds covering spirits withdrawn from time to time for direct exportation, Form 657, will be similarly terminated by the district supervisor when no further withdrawals are to be made thereunder: *Provided*, That the account kept with the bond in accordance with § 185.793 shows that there are no outstanding charges.

(Sec. 2885, I. R. C.)

§ 185.337 *Transportation for export bonds.* Bonds covering a specific lot of distilled spirits withdrawn for transportation for export, Form 548, will be terminated by the district supervisor by marking the bond "Canceled," followed by the date of cancellation, upon receipt of Form 206 from the collector of customs showing the clearance of the spirits: *Provided*, That where there is a loss in transit, the bond will not be canceled until the liability for the loss has been terminated. Continuing bonds for distilled spirits withdrawn from time to time for transportation for export, Form 658, will be similarly terminated by the district supervisor where no further withdrawals are to be made thereunder: *Provided*, That the account kept with the bond in accordance with § 185.793

shows that there are no outstanding charges.

(Secs. 2836, 3170, I. R. C.)

§ 185.338 *Bonds covering transportation to manufacturing warehouses.* Bonds covering a specific lot of distilled spirits withdrawn for transportation to a customs manufacturing bonded warehouse, Form 643, will be terminated by the district supervisor by marking the bond "Canceled," followed by the date of cancellation, upon receipt from the collector of customs of Form 3923 showing the deposit of the spirits in the customs manufacturing bonded warehouse: *Provided*, That where there is a loss in transit the bonds will not be canceled until the liability for the loss has been terminated. Continuing bonds covering spirits withdrawn from time to time for transportation to customs manufacturing bonded warehouses, Form 1618, will be similarly terminated by the district supervisor where no further withdrawals are to be made thereunder: *Provided*, That the account kept with the bond in accordance with § 185.828 shows that there are no outstanding charges.

(Sec. 2891, I. R. C.)

§ 185.339 *Bonds covering withdrawals for use of United States.* Bonds covering the withdrawal of distilled spirits for the use of the United States, Form 544, may be terminated by the district supervisor upon receipt of a properly executed certificate on Form 545, showing receipt of the spirits by the Government representative to whom the same were delivered: *Provided*, That where there is a deficiency the bond will not be released until the liability for the deficiency has been terminated.

(Sec. 3331, I. R. C.)

§ 185.340 *Application of the surety for relief from bond.* A surety on any bond required by this part may at any time in writing notify the principal and the district supervisor in whose office the bond is on file that he desires, after a date named, which shall be at least 60 days after the date of notification, to be relieved of liability under said bond. The notice shall be executed in triplicate by the surety, who shall deliver one copy to the principal and the other two to the district supervisor, who will retain one copy and transmit the remaining copy to the Commissioner. This notice may not be given by an agent of the surety unless it is accompanied by a power of attorney duly executed by the surety authorizing him to give such notice or by a verified statement that such power of attorney is on file with the Department. The surety must also file with the district supervisor an acknowledgment or other proof of service of such notice on the principal. If the notice is not thereafter in writing withdrawn the rights of the principal as supported by said bond shall be terminated on the date named in the notice, and the surety shall be relieved (a) in the case of a transportation and warehousing bond, Form 1571, from liability for spirits transferred or consigned to the internal revenue bonded warehouse wholly subsequent to the date named in the notice, or (b) in the case

of direct export bonds, Forms 547 and 657, transportation for export bonds, Forms 548 and 658, bonds covering transportation to customs manufacturing bonded warehouses, Forms 643 and 1618, or bonds for the withdrawal of spirits for the use of the United States, Form 544, from liability for distilled spirits withdrawn for direct exportation, transportation for export, transportation to customs manufacturing bonded warehouse, or for the use of the United States, as the case may be, wholly subsequent to the date named in the notice. If the principal files a valid superseding bond on Form 1571, prior to the date named in the surety's notice, the surety shall also be relieved from liability for spirits on hand or in transit to the internal revenue bonded warehouse on the effective date of the superseding bond. If the principal fails to file a superseding bond, the surety, notwithstanding his release from liability as specified in condition (a) above, shall continue to remain liable under the bond for all spirits on hand or in transit to the internal revenue bonded warehouse on said date, until such spirits have been lawfully disposed of or a new bond has been filed by the principal covering the same. Liability under bonds on Forms 544, 547, 548, 643, 657, 658, and 1618 for spirits removed thereunder prior to the date named in the surety's notice shall continue until such spirits are properly accounted for, regardless of whether the principal files a superseding bond. Where the principal fails to file such superseding bond, the district supervisor will, by letter, notify the surety of such fact and of his continued liability under the bond for spirits on hand or in transit to the internal revenue bonded warehouse on said date. The district supervisor will also at such time notify the principal that no more spirits may be transferred or consigned to the internal revenue bonded warehouse, until a valid bond is filed. The district supervisor will forward a copy of each such letter to the Commissioner.

§ 185.341 Application for notice of termination. Where the proprietor of an internal revenue bonded warehouse has filed a proper superseding bond in lieu of a previously filed transportation and warehousing bond, Form 1571, or has discontinued the business of warehousing distilled spirits after withdrawal of all spirits from the warehouse, or where, in the case of direct export bonds, transportation for export bonds, bonds covering transportation to customs manufacturing bonded warehouse, or bonds covering withdrawals of distilled spirits for use of the United States, there has been compliance with the provisions of § 185.336, 185.337, 185.338, or 185.339, as the case may be, and the principal or surety desires to secure notice of the termination of the bond for which the principal no longer has any use, application therefor in writing will be made to the district supervisor. The application will be made in duplicate where it is desired to secure the issuance of notices of the termination of transportation and warehousing bonds.

§ 185.342 Action on application for notice of termination. When an application for the issuance of notice of the termination of a transportation and warehousing bond, as to liability for future transactions, is filed with the district supervisor in accordance with the provisions of § 185.341, the district supervisor will make a complete examination of the records to determine whether there is any liability outstanding against the bond. He will also ascertain from the collector of internal revenue whether there are any outstanding, unpaid assessments or demands for taxes on spirits warehoused or transported, as the case may be, under the bond. If it is found that spirits warehoused or transported, under the bond have not been accounted for, or that outstanding assessments or demands for payment of taxes chargeable against the bond have not been paid or otherwise settled, the district supervisor will disapprove the application, unless the liability is settled. When an application for notice of the termination of a direct export bond, transportation for export bond, or bond covering the transportation of spirits to a customs manufacturing bonded warehouse, or bond covering withdrawals for use of the United States, is filed with the district supervisor, he will examine his records to determine whether the required evidence of foreign landing or loss at sea, or clearance, or deposit in the manufacturing warehouse, or delivery to the Government representative, as the case may be, of the spirits withdrawn under the bond has been filed, and if there were deficiencies, whether liability for the deficiencies has been terminated. Where a bond was previously marked "Canceled," in accordance with § 185.336, 185.337, or 185.338, no further examination of records will be necessary.

§ 185.343 Notice of termination. Upon cancellation of a transportation and warehousing bond, Form 1571, as to liability for future transactions, the district supervisor will execute "Notice of Termination" on Form 1490 where a superseding bond has been approved, or "Notice of Release" on Form 1491 where the principal has discontinued business and removed all the spirits from the warehouse, as the case may be, in quadruplicate (in quintuplicate if there are two sureties), and will forward the original together with one copy of the application to the Commissioner, one copy to each obligor on the bond, and retain one copy on file with the bond to which it relates. Where an application for the issuance of notice of the termination of a direct export bond, transportation for export bond, bond covering transportation to a customs manufacturing warehouse, or bond covering withdrawals for use of the United States, has been filed with the district supervisor, and he has found that there has been compliance with the provisions of § 185.336, 185.337, 185.338, or 185.339, as the case may be, he will issue Form 1491 as provided in this section.

§ 185.344 Release of collateral. The release of collateral pledged and deposited with the United States to support bonds required in this part will be in

accordance with the provisions of Department Circular 154, revised (31 CFR, Part 225), subject to the conditions governing the issuance of notices on Forms 1490 and 1491 of the termination of such bonds. Upon approval of an application for the issuance of notice of the termination of a transportation and warehousing bond supported by collateral security, the district supervisor will fix the date or dates on which a part or all of the security may be released. In fixing such date, which ordinarily will be not less than six months from the date of determination that there is no outstanding liability against the bond, the district supervisor will satisfy himself that the interests of the Government will not be jeopardized. Collateral pledged and deposited to support a transportation and warehousing bond, will not be released by the district supervisor until liability under the bond has been terminated. At any time prior to the release of such collateral security, the district supervisor may, in his discretion, and for proper cause, further extend the date of release of the security for such additional length of time as in his judgment may be appropriate. Collateral pledged and deposited to support a direct export bond, transportation for export bond, bond covering transportation to customs manufacturing warehouse, or bond covering withdrawals for use of the United States, will ordinarily be released by the district supervisor upon issuance of notice of release of the bond, Form 1491.

(Sec. 1126, 44 Stat. 122; 6 U. S. C. 15)

SUBPART R—CONTROL, CUSTODY AND SUPERVISION

§ 185.350 Control of warehouse. The law provides that every internal revenue bonded warehouse shall be under the control of the district supervisor of the Alcohol Tax Unit district in which the warehouse is located.

(Sec. 2872, I. R. C.)

§ 185.351 Assignment of storekeeper-gaugers. When an internal revenue bonded warehouse is established, the district supervisor will assign one or more storekeeper-gaugers to the warehouse. In determining the number of storekeeper-gaugers to be assigned to a bonded warehouse the district supervisor will consider the number and size of the rooms or building comprising the warehouse, the number of packages of spirits to be received and removed daily, whether spirits are to be bottled in bond at such warehouse, whether a tax paid bottling house is to be operated in connection with the warehouse, and whether the warehouse is located on, or is contiguous or adjacent to, the premises of a distillery.

(Secs. 3170, 4013, I. R. C.)

§ 185.352 Examination of warehouse. Storekeeper-gaugers will, upon assignment to a bonded warehouse, examine the warehouse and its equipment and will determine that the doors, windows, and other openings are properly protected and equipped for locking; that the inlets, outlets, and other necessary openings of all tanks for spirits and valves in pipelines, if any, are properly

equipped for locking; and that all pipeline connections conform to this part. The storekeeper-gauger will apply Government locks and seals wherever the same are required.

§ 185.353 *Custody of warehouse.* The law provides that each internal revenue bonded warehouse shall be in the charge of a storekeeper-gauger and that every such warehouse shall be in the joint custody of the storekeeper-gauger and the proprietor thereof, and kept securely locked, and shall at no time be unlocked or opened, or remain open, except in the presence of the storekeeper-gauger or other person who may be designated to act for him. The keys to all Government locks shall remain at all times in the custody of the storekeeper-gauger, except that where no storekeeper-gauger is regularly assigned to the warehouse such keys shall remain in the custody of the storekeeper-gauger at the distillery having charge of the warehouse, or in the custody of the district supervisor or other person designated by him. The storekeeper-gauger having custody of the keys will not at any time permit them to go into the possession of any other person, except the district supervisor or an officer authorized by the district supervisor or the Commissioner to receive them.

(Secs. 2872, 2873, I. R. C.)

§ 185.354 *Warehouse to be kept locked.* The outside doors of the warehouse shall be locked with Government locks and kept locked at all times except when spirits are being entered into or removed from the warehouse or where it is necessary for the proprietor to have access to the warehouse for the purpose of repairing cooerage or other legitimate purposes. The doors of the bottling-in-bond department shall be locked with Government locks and kept locked at all times except when spirits are being bottled or are being entered into or removed therefrom or where it is necessary for the proprietor to have access to the bottling-in-bond department for other legitimate purposes. The bottling-in-bond department must be locked at night in the usual way, regardless of whether spirits are stored therein. If the bottling-in-bond department is used exclusively for bottling distilled spirits in bond, the doors (if any) in the partition or wall separating the bottling-in-bond department from the storage portion of the warehouse must be kept locked on the storage side of the warehouse except while actually being used for the transfer of spirits as provided in § 185.72. All windows and shutters shall be closed and securely fastened by the proprietor when business is finished for the day. The storekeeper-gauger will open and close the Government locks on doors and on any shutters that may be equipped with Government locks. Neither the warehouse nor the bottling-in-bond department therein shall be open on Sunday or at night or at any time other than regular business hours except in cases of emergency and then only with the approval of the district supervisor: *Provided*, That where the spirits are in imminent danger of loss by fire, flood or

other casualty, and it is impracticable to first obtain authorization from the district supervisor for the opening of the warehouse, the storekeeper-gauger may, upon the request of the proprietor, open the warehouse for the purpose of preventing loss of the spirits, but a report thereof must be made immediately, by telephone or telegraph where possible, to the district supervisor: *And provided further*, That where the spirits are in imminent danger of loss by fire, and it is impracticable to first communicate with the district supervisor or the storekeeper-gauger, city and State fire officers may break open the warehouse for the purpose of preventing loss of the spirits, but a similar report thereof must be made immediately to the district supervisor.

(Secs. 2872, 2873, I. R. C.)

§ 185.355 *Admittance of proprietor.* The proprietor shall upon request at reasonable times have admittance, in the presence of the storekeeper-gauger, to the warehouse and the spirits deposited therein, and may, in connection with the storekeeper-gauger, refuse admittance to any person not a revenue officer. The proprietor may have access to the spirits in bond at any reasonable time in the presence of the storekeeper-gauger for the purpose of repairing cooerage, or to take any necessary measures to prevent waste by leakage or for other legitimate purposes.

(Secs. 2872, 2873, I. R. C.)

§ 185.356 *Operations requiring immediate supervision.* The immediate supervision of the storekeeper-gauger is required whenever (a) spirits are entered into or withdrawn from the warehouse; (b) spirits are transferred from one building to another; (c) spirits are bottled in bond; (d) spirits are drawn from tanks into packages or dumped from packages into gauge tanks; (e) a change of package is made for exportation, or to prevent loss by leakage, or for other authorized purposes; (f) samples of spirits are obtained; (g) spirits in distiller's original packages or in tanks are reduced in proof; (h) brandy-blending operations are being conducted; (i) packages of spirits on deposit in an internal revenue bonded warehouse are gauged preparatory to immediate sealing of the bungs and when the bungs of such packages are sealed; (j) otherwise required in this part; or (k) spirits in the warehouse are by reason of circumstances exposed to loss.

(Secs. 2800, 2801, 2873, I. R. C.)

§ 185.357 *Commercial gauging.* Spirits shall not be gauged except as required for official purposes.

SUBPART S—DEPOSIT OF SPIRITS IN WAREHOUSE

DEPOSIT IN STORAGE TANKS

§ 185.365 *In warehouse on distillery premises.* Distilled spirits of 160 degrees of proof or more may be received by pipeline or in tank cars from a registered distillery and brandy of any proof may be received by pipeline or in tank cars from a fruit distillery for deposit in storage tanks in the internal revenue bonded

warehouse located on distillery premises where produced: *Provided*, That (a) rum of not less than 150 degrees of proof intended for denaturation may be received by pipeline from a registered distillery for deposit in storage tanks; and (b) gin of any proof may be received by pipeline from a registered distillery and deposited in storage tanks.

(Secs. 2825, 2879, 2883, 2868, 3070, I. R. C.)

§ 185.366 *In warehouse contiguous to distillery premises.* Distilled spirits (other than spirits designated for fortification or rum designated for denaturation) of 160 degrees of proof or more may be received by pipeline or in tank cars from a registered distillery or a fruit distillery for deposit in storage tanks in an internal revenue bonded warehouse located contiguous to the distillery premises where produced: *Provided*, That gin of any proof may be received by pipeline from a registered distillery for deposit in storage tanks.

(Secs. 2825, 2879, 2883, 2868, 3070, I. R. C.)

§ 185.367 *In any warehouse.* Distilled spirits of 160 degrees of proof or more received in tank cars from a registered distillery or a fruit distillery, or from storage tanks in an internal revenue bonded warehouse may be deposited in storage tanks in any internal revenue bonded warehouse.

(Secs. 2825, 2879, 2883, 2868, 3070, I. R. C.)

§ 185.368 *Supervision of pipe line transfers.* All transactions in connection with the receipt of spirits for deposit in warehouse tanks shall be under the immediate supervision of the storekeeper-gauger. The storekeeper-gauger supervising such operations will see that the outlet and all other openings, except the inlet, are closed and locked when spirits are being deposited; that the inlet and all other openings, except the outlet, are closed and locked when spirits are being removed from such tanks; and that the valves in the pipeline are so adjusted by the proprietor as to properly control the flow of spirits. When the spirits have been deposited in the tanks in the bonded warehouse, the inlet will be immediately closed by the proprietor and locked by the storekeeper-gauger. The storekeeper-gauger will at such time note the number of the storage tank on the gauge report, Form 1520, covering the deposit of the spirits, and except where such spirits were gauged in the distillery immediately prior to transfer by pipeline, he will make an immediate gauge and prepare a gauge report on Form 1520 covering the deposit of the spirits. The openings of warehouse tanks containing spirits, and the valves in pipelines leading to and from such tanks, shall be kept closed and locked at all times, except when it is necessary to open such tanks for inspection or gauging purposes, or for transfer of the spirits. Whenever spirits are transferred into or out of warehouse tanks, the storekeeper-gauger will open and close the locks, but it shall be the duty of the proprietor to manipulate the stopcocks or valves controlling the flow of the spirits.

(Secs. 2800, 2878, 2883, I. R. C.)

§ 185.369 *Tank car transfers for deposit in storage tanks.* Where spirits received by tank car are to be deposited in storage tanks in a bonded warehouse, the storekeeper-gauger will carefully examine the tank car for evidence of loss and immediately upon transfer into the warehouse he will gauge the spirits and prepare Form 1520. Where the gauge discloses a loss or shortage, he will proceed as required by §§ 185.480 to 185.497. The storekeeper-gauger will see that the openings of the tanks and valves of the pipelines are controlled and adjusted as provided in § 185.368 relating to pipeline transfers. He will note on the Form 1520 covering the transfer of the spirits the proof and quantity by weight and proof gallons received and deposited in the warehouse.

(Secs. 2879, 2883, 4017, I. R. C.)

§ 185.370 *Custody of keys.* The keys to all Government locks on valves in pipelines used for conveying spirits from the distillery receiving cisterns to warehouse storage tanks shall remain at all times in the custody of the storekeeper-gauger in charge of the distillery receiving cisterns, except that if a storekeeper-gauger is exclusively assigned to the bonded warehouse, such storekeeper-gauger shall have custody of the keys to locks within the warehouse.

(Sec. 2883, I. R. C.)

§ 185.371 *Marking of tanks.* When spirits are deposited in warehouse storage tanks the storekeeper-gauger shall plainly and legibly mark on each tank the kind of spirits deposited therein, the date of the entry for deposit, and the proof at which the spirits were distilled ("Distilled 190 Proof or over," or "Distilled between 160 and 190 Proof," as the case may be). Such marks shall be completely erased by the storekeeper-gauger each time the tank is emptied. Where brandy or fruit spirits for the fortification of wine, or rum of not less than 150 degrees of proof for denaturation, or spirits of not less than 180 degrees of proof intended for exportation in tank cars, are transferred into warehouse storage tanks, the warehouseman shall plainly and legibly stencil upon such tanks the words "For Fortification of Wine," "For Denaturation," or "For Exportation," respectively, in addition to the other markings required by this part.

(Sec. 2883, I. R. C.)

§ 185.372 *Prohibited mingling in storage tanks.* The product of two or more distillers shall not be mingled in warehouse storage tanks; nor shall spirits distilled from different materials, or which differ in kind according to the standards of identity established under the Federal Alcohol Administration Act, be mingled in a storage tank; nor shall spirits produced during different distilling seasons be so mingled; nor shall spirits especially identified in accordance with § 185.371 be mingled with spirits not so identified.

(Secs. 2900, 3254, I. R. C.)

§ 185.373 *Limitation on deposits in same tank.* When the drawing of spirits from a warehouse gauging tank has begun, no further deposit of spirits

therein will be permitted until the tank has been completely emptied. It will not be necessary to empty a warehouse storage tank before making additional deposits of spirits therein, provided the spirits so mingled meet the requirements of § 185.372. However, spirits must not be run into and drawn from the same tank simultaneously. If, in order to utilize a large storage tank, a proprietor desires to transfer the spirits remaining therein to a smaller tank, such transfer may be made upon application to the storekeeper-gauger in charge. The transfer from one storage tank to another must be made under the immediate supervision of a storekeeper-gauger who will note the number of the storage tank on the Form 1520 covering the deposit of the spirits in the warehouse.

(Secs. 2900, 2883, 3254, I. R. C.)

SPIRITS RECEIVED IN CASKS OR OTHER APPROVED CONTAINERS

§ 185.374 *From distillery on same or contiguous premises.* Where spirits are received in packages for deposit from a distillery on the same or contiguous premises, the packages will be transferred from the distillery cistern room or fruit distillery, as the case may be, to the warehouse under the supervision of the storekeeper-gauger in charge of the cistern room or fruit distillery and the storekeeper-gauger in charge of the warehouse.

(Secs. 2978, 2883, I. R. C.)

§ 185.375 *From distillery not on same or contiguous premises or from another warehouse.* When spirits are received from a distillery not on the same or contiguous premises or from another internal revenue bonded warehouse for deposit, the storekeeper-gauger will carefully examine the shipment and weigh and proof each package; *Provided*, That where packages received have had the bungs sealed prior to shipment in a manner acceptable to the Commissioner or where the packages are received in conveyances seal-locked as provided in § 185.692 with the seals of the shipping premises intact, the packages need only be weighed unless examination thereof indicates losses in transit. In all cases requiring that packages be weighed or weighed and proofed at time of receipt, the storekeeper-gauger will compare such information with that shown on the Form 1520 or 1619, as the case may be, covering the deposit and, where material discrepancies are found or where containers bear evidence of having sustained losses in transit will endeavor to ascertain the cause of the loss. The storekeeper-gauger will note on the Forms 1520 or 1619 covering each shipment received for deposit, the type of conveyance in which the shipment was received and whether or not the shipment was received with locks or seals of the shipping warehouse intact. The storekeeper-gauger will enter the weight or weight and proof of packages received on the Form 1520 or Form 1619 covering the deposit. If a Form 1520 is prepared covering the gauge of the spirits at the time of receipt, it will be filed with the retained copy of Form 1520 covering the deposit. The procedure outlined in

§ 185.377 will be followed as to spirits received in tank cars.

(Sec. 2901, I. R. C.)

§ 185.376 *Examination of packages.* Where packages of spirits are received bearing evidence of having sustained losses in transit, or where material discrepancies are found by the comparison of shipping weight or weight and proof with such information ascertained at the receiving warehouse, the storekeeper-gauger will observe the following procedure:

(a) Examine the condition of the cooperage of each such package.

(b) Make a gauge of each such package and enter in the "Receiving gauge" columns of the Form 1520 or 1619, as the case may be, the gross weight, proof and proof gallons of each package and in the loss column enter the difference between the amount shipped and the amount received. The storekeeper-gauger will also note on the reverse of the Forms 1520 or 1619 the condition of the cooperage and whether in his opinion the loss was occasioned by theft, accident or other determinable cause. In the event the loss sustained from any package appears to have been the result of theft, such package will be reported and detained, pending instructions from the district supervisor in accordance with the procedure prescribed in § 185.486.

(Sec. 2901, I. R. C.)

§ 185.377 *Examination of tank car.* The storekeeper-gauger will carefully examine each tank car of spirits upon its arrival at the warehouse for evidence of loss and will determine if the seal locks applied at the shipping premises are intact. Unless the spirits are to be immediately taxpaid on the filling gauge, the spirits will be gauged in a gauging tank and reported on Form 1520. In the event there is evidence of loss from a tank car by theft such tank car will be reported and detained pending instructions from the district supervisor in accordance with the procedure prescribed in § 185.486.

(Sec. 2901, I. R. C.)

§ 185.378 *Examination and deposit of cases.* Where spirits bottled in bond are received from another bonded warehouse for deposit, the storekeeper-gauger will carefully examine the shipment upon its arrival and, where the cases bear evidence of having sustained losses, he will note the loss on Forms 236 and 1520. In the event any of the cases in a shipment bear evidence of loss by theft, such cases will be reported and detained, pending instructions from the district supervisor in accordance with the procedure prescribed in § 185.486.

(Sec. 2901, I. R. C.)

§ 185.379 *Disposition of deposit forms.* Where spirits are received from a distillery operated by the proprietor on the same or contiguous premises, the storekeeper-gauger in charge at the receiving warehouse will retain the copy of Form 1520 covering the deposit of the spirits. Upon the deposit of spirits received from a distillery not operated by the proprietor of the warehouse on the same or contiguous premises, or from another bonded warehouse, the storekeeper-

gauge at the receiving warehouse will follow the procedure prescribed by § 185.707 for transfers between warehouses in the same district and § 185.712 for transfers between warehouses in different districts.

SUFFICIENCY OF BOND

§ 185.380 *Storekeeper-gauger to be informed.* Where spirits are received for deposit from a distillery operated by the proprietor of the warehouse on the same or contiguous premises, and the penal sum of the transportation and warehousing bond is less than the maximum of \$200,000, as shown by the record furnished by the district supervisor pursuant to § 185.314, the storekeeper-gauger in charge of the warehouse will see that the tax liability on the quantity of spirits deposited in the warehouse, plus the tax liability on the spirits represented by all outstanding approved Forms 236 (§§ 185.694 and 185.709) is within the limits of the penal sum of the bond. Such information shall also be furnished where brandies are blended under the provisions of § 2801 (e) (5), I. R. C. (when the penal sum of the bond is less than the maximum), and the storekeeper-gauger shall see that the penal sum of the bond is sufficient to cover the additional tax of 30 cents a proof gallon on all blended brandy on hand or in transit to the warehouse at any one time as well as the tax under § 2800 (a) (1), I. R. C., on all brandy on hand at any one time.

(Secs. 2801, 2879, I. R. C.)

RECORDS AND REPORTS

§ 185.381 *Storekeeper-gauger's copies of deposit forms.* All copies of Forms 236, 1520, 1619 and 1620, covering the deposit of spirits in internal revenue bonded warehouses, and all copies of Forms 1695 and 1520 covering the blending of brandy and the return thereof to the storage portion of the warehouse, shall be filed by the storekeeper-gauger as permanent records, in accordance with the procedure prescribed in Subpart UU of this part.

(Secs. 2801, 2883, 2915, I. R. C.)

§ 185.382 *Forms 1513 and 1621.* The storekeeper-gauger in charge of an internal revenue bonded warehouse shall enter all spirits deposited in the warehouse, including blended brandies returned from the brandy-blending department, on his monthly bonded warehouse return, Form 1513, and shall make appropriate entries in his summary of deposits and withdrawals, Form 1621, as provided in §§ 185.1020 to 185.1031.

§ 185.383 *Date of receipt in warehouse to be shown on withdrawal applications or permit.* At the time of submitting to the storekeeper-gauger an application prepared pursuant to the provisions of §§ 185.460, 185.511, 185.536, 185.600, 185.650, 185.660, 185.670, 185.738, 185.761, 185.773, 185.778, 185.816, 185.826, 185.856, 185.863, 185.868, 185.881, 185.892, for the gauge, regauge, or withdrawal of distilled spirits, the proprietor of the internal revenue bonded warehouse shall show on the form, in addition to the other information required by the form or by

the provisions of this part, the date the spirits were received in the warehouse. When the warehouseman desires to make shipment of distilled spirits in bond and furnishes the storekeeper-gauger a copy of the Form 236 covering such transfer he shall furnish in writing to the storekeeper-gauger information showing the number of packages or cases, the serial numbers of the containers, the date of original entry for deposit and the date the distilled spirits were received in the warehouse. When the warehouseman submits permit on Form 1508, covering the withdrawal of distilled spirits for the use of the United States, he shall show on the form the date the spirits were received in the warehouse.

(Secs. 2801, 2882, 2883, 2885, 2886, 2891, 2903, 2904, 2910, 2915, 3031, 3033, 3037, 3070, 3171, I. R. C., and section 309 (a) of the Tariff Act of 1930)

SUBPART T—STORAGE OF DISTILLED SPIRITS IN WAREHOUSE

§ 185.390 *Kinds of containers.* Distilled spirits may be stored in an internal revenue bonded warehouse:

(a) In the distiller's original packages in which received, including, in the case of spirits intended for temporary storage pending exportation, wooden packages containing two or more metallic cans having a capacity of not less than 5 wine gallons each;

(b) In cases, where spirits are bottled in bond;

(c) In casks, barrels, or similar wooden packages, or in drums or similar metal packages, having a capacity of not less than 10 wine gallons each, filled from warehouse storage tanks or into which the contents of the distiller's original packages were transferred in accordance with §§ 185.397 to 185.402;

(d) In storage tanks (1) in any warehouse if the spirits are 160 degrees or more of proof; or (2) in a warehouse located on the premises of the distillery where the spirits were produced and such spirits are rum of not less than 150 degrees of proof received by pipeline and are intended for denaturation; or (3) in a warehouse located on the premises of a fruit distillery where the spirits were produced and the spirits are brandy or fruit spirits; or (4) in a warehouse located on or contiguous to the premises of the distillery where the spirits were produced and the spirits are gin of any proof received by pipeline;

(e) In tank cars.

(Secs. 2825, 2878, 2883, 2903, 3070, I. R. C.)

METHOD OF STORAGE

§ 185.391 *Containers to be accessible.* Packages of distilled spirits deposited in an internal revenue bonded warehouse must be stored therein in such a manner that they may be readily inspected and examined by Government officers. Aisles of sufficient width to permit passage for the purpose of inspecting and repairing the cooperage must be provided between rows of barrels. The barrels must not be so superimposed upon each other as to prevent inspection and repair of cooperage or to prevent or interfere with their removal from rows or tiers for gauging, repairing cooperage, etc. Cases

of spirits must be so stored that they may be readily inventoried. The cases may be stored in stacks or blocks if segregated according to distillers, kinds of spirits, and sizes of bottles, and kept arranged in serial order. Aisles and passageways must be kept open and not be permitted to become blocked by packages or other articles.

(Sec. 2878, I. R. C.)

§ 185.392 *Storage in tank cars.* Where spirits are received in tank cars for storage in bond, the spirits may be transferred to warehouse storage tanks provided the spirits are 160 degrees of proof or more. If the spirits are less than 160 degrees of proof, such tank cars must be run within the warehouse and remain therein pending tax payment or further transfer in bond.

(Secs. 2825, 2878, 2883, I. R. C.)

§ 185.393 *Failure to properly store spirits.* Where the proprietor so stores packages of spirits that they cannot be readily inspected, or removed with facility from rows or tiers for gauging, repairing of cooperage, or other proper purposes, or that unnecessary loss is likely to occur from superimposing packages upon each other, or from deterioration of the cooperage due to other causes or where spirits are stored in tanks and such tanks are not kept in good condition so as to preclude unnecessary loss of spirits therefrom, the storekeeper-gauger will make report thereof in writing to the district supervisor, who will require the proprietor to make the necessary correction. The proprietor must take whatever steps are necessary to avoid unnecessary loss or wastage of spirits in the warehouse.

(Secs. 2878, 2880, 2883, 2901, I. R. C.)

§ 185.394 *Facilities for examination.* The proprietor shall furnish all assistance, lights, ladders, and other facilities necessary to enable Government officers to examine warehouse premises and equipment and all containers of spirits stored therein.

(Secs. 2872, 2873, I. R. C.)

§ 185.395 *Facilities for gauging.* The proprietor of the warehouse must provide adequate assistance and facilities to enable the storekeeper-gauger to gauge any packages which, in the officer's opinion, have been tampered with or from which unnecessary loss has occurred.

(Secs. 2872, 2873, 2901, I. R. C.)

§ 185.396 *Facilities for recoopering.* The proprietor must provide suitable facilities for the recoopering of spirits stored in the warehouse. Where a considerable amount of recoopering is done, a separate room to be used exclusively for the purpose should be provided. If a separate room is not provided, the facilities to be used for recoopering spirits must be arranged and the work performed in such a manner as to avoid unnecessary loss or wastage of spirits or impairing the safety of other spirits or rendering the required supervision by the storekeeper-gauger more difficult.

(Secs. 2873, 2878, 2883, I. R. C.)

FILLING PACKAGES FROM STORAGE TANKS

§ 185.397 *Gauging.* Distilled spirits may be drawn into packages from storage tanks in accordance with this part. If the distilled spirits in the tank are found to be other than a whole degree of proof, adjustment to a whole degree must be made by the proprietor before withdrawal into packages. Each package must be gauged by the storekeeper-gauger. Before determining the original tare of packages, the storekeeper-gauger will examine them and will not permit the use of any package which contains or has on its exterior or interior any unauthorized substance which will prevent the correct ascertainment of the tare. The tare of the empty package will be determined and will be marked on the package and recorded on Form 1520. Weights shall be determined in pounds and one-half pounds.

(Secs. 2878, 2883, I. R. C.)

§ 185.398 *Reduction in proof.* Spirits in warehouse storage tanks which were produced at 190 degrees of proof or more may be reduced in such storage tanks to not less than 111 degrees of proof prior to being drawn into packages. The spirits will be reduced by the proprietor of the bonded warehouse under the immediate supervision of the storekeeper-gauger. Spirits of less than 160 degrees of proof may not be withdrawn from storage tanks into tank cars for transfer in bond.

(Sec. 2883, I. R. C.)

§ 185.399 *Marking and branding packages filled from storage tanks.* The proprietor shall plainly and durably burn, cut, imprint, or stencil on the head of each package filled from a warehouse storage tank, in letters and figures not less than three-fourths inch in height (not less than one-half inch in height for one-half barrels), the name of the distiller or the person in whose name the spirits were produced, the registry number of the distillery, the city or town and State in which the distillery is located, kind of cooperage (as charred, recharred, plain, etc.), serial number of the package, kind of spirits, the date of filling, and in letters and figures not less than one-half inch in height, the proof at which distilled, the original proof gallons, the original proof and tare determined at time of filling, the date of original entry of the spirits for deposit, and the warehouse number and State in which located. This head shall be designated the Government head. The ink used in applying marks and brands shall be of suitable quality to effect durability and legibility and the heads of the packages shall be sufficiently smooth and free from defects to permit the marks and brands to be clearly and distinctly applied. No marks other than those required by this part shall be placed upon the Government head of a package. All marking and branding shall be performed by the proprietor under the immediate supervision of the storekeeper-gauger. The State and registry number may be combined and abbreviated as "Calif-708." The kind of cooperage may be abbreviated "C" for charred, "REC" for recharred, "P" for plain, "PAR" for paraf-

ined, "G" for glued, and "R" for reused (not recharred). In addition to these marks the letters "PS" (pre-soaked) will follow the letters indicating the kind of cooperage if the barrel has been steamed or water soaked prior to filling. Symbols may be used to designate the proof of distillation, e. g., "D190P" for "Distilled 190 proof or over," "D160-190P" for "Distilled between 160 and 190 proof" and "D160P" for "Distilled not over 160 proof," or in the case of spirits derived from fruit, "D170-190P" for "Distilled between 170 and 190 proof" and "D170P" for "Distilled not over 170 proof." The date of original entry of the spirits for deposit and the warehouse number and State in which located may be abbreviated as "Orig. Ent. 5-19-36" and "I. R. B. W.4-N. Y."

(Secs. 2825, 2878, 2883, I. R. C.)

§ 185.400 *Report of gauge, Form 1520.* The storekeeper-gauger will enter the details of the gauge on Form 1520 and will note on each copy of the form the date of the original entry for deposit and the proof of distillation of the spirits. If the spirits are to be stored in the warehouse in which packaged, an original and two copies of Form 1520 will be prepared, one of which will be forwarded to the district supervisor, one to the warehouseman and the remaining copy retained for file. If the spirits are to be immediately transferred to another warehouse in the same district, an original and four copies of Form 1520 will be prepared, or if they are to be immediately transferred to another warehouse in another district, an original and six copies of Form 1520 will be prepared. In case of packages filled for immediate transfer in bond the forms will be distributed as provided in § 185.706 or 185.711.

(Secs. 2875, 3170, 4017, I. R. C.)

§ 185.401 *Numbering of packages.* All packages filled from warehouse storage or gauging tanks, whether for storage in bond or immediate removal, shall be serially numbered, separately from packages filled at the distillery, beginning with number 1, preceded by the letter "T", as T-1, T-2, etc.

(Secs. 2825, 2878, 2883, I. R. C.)

§ 185.402 *Determining date of original entry.* Where distilled spirits are deposited in a warehouse storage tank on different dates, the date of entry for deposit of the spirits first deposited in such tank shall be considered the date of entry for the deposit of the entire contents of the tank, for the purpose of determining the period of storage in bond.

(Sec. 2900, I. R. C.)

CHANGE OF PACKAGES

§ 185.403 *To prevent loss by leakage.* When it becomes necessary, in order to prevent loss by leakage or wastage, the contents of a package of spirits stored in a bonded warehouse may be transferred to another package, but such transfer must be made under the supervision of a storekeeper-gauger. The new package must be of the same kind of cooperage, unless the spirits are to be repackaged

as provided in § 185.405, and must be given the same serial number, marks and brands (except the tare) as the original package. The storekeeper-gauger will take the tare of the new package and require it to be marked on the package before transfer of the spirits. When such change of package is made the storekeeper-gauger will note the change of package together with the tare of the new package on his copy of Form 1520 or Form 1619 covering deposit of the spirits in the warehouse.

§ 185.404 *For exportation.* For the purpose of exportation, the contents of an original package may be transferred to one or more new packages, or the contents of two or more original packages may be consolidated into one package, while stored in bond, but such changes of packages must be made under the immediate supervision of the storekeeper-gauger and within the limitations and in accordance with the procedure prescribed in Subpart HH of this part.

(Sec. 2886, I. R. C.)

§ 185.405 *To change kind of cooperage.* Where it is desired to transfer the spirits from one kind of cooperage to another, as, for example, from a plain or reused package to a charred new package, request for such transfer must be made to the district supervisor by the proprietor of the warehouse in which the spirits are stored and if such request is approved the transfer must be made under the immediate supervision of the storekeeper-gauger and in accordance with the procedure prescribed in § 185.407.

§ 185.406 *Request to district supervisor.* The request to the district supervisor for permission to change the kind of cooperage must give the serial number of the package or packages, kind of original cooperage, kind of cooperage desired to be used, name of the distiller, registered number and location (city or town, and State) of the distillery at which the spirits were produced and the reason why the change is desired. If the district supervisor approves the request, he will so notify the proprietor and will direct the transfer to be made under the immediate supervision of the storekeeper-gauger.

§ 185.407 *Marking new packages.* Each new package will be given the same serial number, marks, and brands (except the tare and kind of cooperage) as the original package, and will contain only spirits from one package. The storekeeper-gauger will take the tare of the new package and require it to be marked on the new package before the transfer, and upon completion of the transfer will prepare and sign a label to be affixed by the proprietor to the head of each new package in the manner herein prescribed for the affixing of tax-paid stamps. The label shall be in the following form:

The spirits contained in this package, serial No. _____, were transferred to new _____ barrel under date of _____ (Kind of cooperage) _____ by authority of letter dated _____ The package

from which the spirits herein were transferred was a _____ barrel.

(Kind of cooperage)

(Storekeeper-gauger)

District No. _____

When such a change of package is made, the storekeeper-gauger will note the tare of the new package on Form 1520 or Form 1619 covering deposit of the spirits and advise the district supervisor that the change has been made. If the new package should be transferred in bond the storekeeper-gauger will make a notation on the transfer Form 1619 showing the date of the change of package and the tare of the new package.

TRADE MARKS AND CAUTION NOTICES

§ 185.408 *Must not resemble revenue stamp.* No person shall affix or cause to be affixed to or upon any cask or package containing or intended to contain distilled spirits any imitation stamp or other engraved, printed, stamped, or photographed label, device, or token, whether the same be designed as a trade mark, caution notice, caution, or otherwise, and which shall be in the similitude or likeness of or shall have the semblance or general appearance of any internal revenue stamp required by law to be affixed to or upon any cask or package containing distilled spirits.

(Sec. 2869, I. R. C.)

§ 185.409 *Canceling of labels forbidden.* The storekeeper-gauger must not apply, or permit the application of, a canceling plate to any caution notice, trade mark, or similar device which may be attached to casks or packages of distilled spirits.

§ 185.410 *Placing on Government head forbidden.* No marks, brands, caution notices, or other devices whatsoever will be permitted on the Government head of any package, other than the stamps, labels, marks, or brands required or authorized to be affixed by Federal law or this part.

QUICK-AGING OF SPIRITS

§ 185.411 *Approval of apparatus and process required.* Distilled spirits may be quick-aged by heating during storage in an internal revenue bonded warehouse, provided that the apparatus and process are approved by the Commissioner and suitable arrangements are made for operation of the process. The proprietor of a bonded warehouse desiring to quick-age spirits therein shall file application in duplicate with the district supervisor for approval of the process, and must set forth in such application a complete description of the apparatus and process and a brief description of the building, room, or space in which the quick-aging is to be conducted. The district supervisor will forward one copy of the application to the Commissioner with his recommendation. The applicant will be informed through the district supervisor of the Commissioner's action on the application.

(Secs. 2878, 2883, I. R. C.)

§ 185.412 *Introducing heating device into package.* Where the spirits are to

be quick-aged by the introduction of a steam pipe or other heating device into the package, a separate room or building to be used exclusively for the purpose should be provided. If a separate room or building is not provided, the process must be conducted in a separate, designated space in the warehouse suitable for the purpose, and the facilities must be so arranged as to not endanger the safety of other spirits or to require undue supervision by the storekeeper-gauger.

(Secs. 2878, 2883, I. R. C.)

§ 185.413 *Heating warehouse.* Where spirits are to be quick-aged by the general application of heat within the warehouse the proprietor must provide a suitable, separate room, which shall not be exposed or subjected to excessive heat, for the convenience of Government officers in performing their duties in connection with the receipt and withdrawal of spirits.

(Secs. 2878, 2883, I. R. C.)

PERIOD OF STORAGE IN BOND

§ 185.414 *Eight years from date of original entry.* Distilled spirits may not remain in warehouse more than eight years from the date of original entry for deposit, except that distilled spirits which on July 26, 1936, were 8 years of age, or older, and which are in bonded warehouse, may remain therein.

(Secs. 2900, 2901, I. R. C.)

§ 185.415 *Calculation of storage period.* The period of 1 month is held to run from the date of any month to the day before the same date of the next month, both days inclusive. The 8 years during which spirits may remain in warehouse are held to expire at the close of business on the eighth anniversary of the day next preceding that on which the original entry for deposit was made, or if such day falls on Sunday or a legal holiday, then on the next preceding business day.

(Secs. 2879, 2900, I. R. C.)

§ 185.416 *When tax is due and payable.* The tax on distilled spirits shall be due and payable before and at the time of withdrawal from the bonded warehouse and within 8 years from the date of original entry for deposit, except that such 8-year limitation shall not be applicable in the case of spirits which on July 26, 1936, were 8 years of age, or older, and which are in bonded warehouses.

(Secs. 2800, 2879, 2900, I. R. C.)

§ 185.417 *Failure to give bond.* In case the proprietor of a bonded warehouse fails or refuses to give bond as required by law and provisions of this part or to renew the same, or neglects to withdraw the spirits or to transfer the same to another bonded warehouse immediately in accordance with law and this part, the spirits will be gauged and the tax thereon will be assessed and collected and the spirits removed from the warehouse in accordance with the procedure prescribed in §§ 185.420, 185.421, and 185.422.

(Sec. 2879, I. R. C.)

EXPIRATION OF 8-YEAR PERIOD

§ 185.418 *Examination of records.* During June and December of each year the storekeeper-gauger shall examine Form 1621 to determine whether the 8-year period of storage in bond on any spirits still in the warehouse will expire during the ensuing 6-month period. Where the examination of Form 1621 shows that there are such spirits still in the warehouse, the storekeeper-gauger will ascertain the date of the original entry for deposit thereof from Form 1520 or Form 1619 if the spirits are in packages or other bulk containers, or from Form 1620 if the spirits are in cases, and shall determine the date of the expiration of the 8-year bonded period of all such spirits. The storekeeper-gauger shall make a list of all such packages or cases, showing the date of the expiration of the bonded period of storage of each. Where spirits of different dates of production in the same distilling season are mingled at the time of bottling, or brandies of different dates of production are blended under the provisions of section 2801 (e) (5), I. R. C., the bonded period of storage for such spirits or brandies will begin to run from the date of the original entry for deposit of the oldest spirits or brandies so mingled.

§ 185.419 *Notice to proprietor.* Upon completion of his examination of the records, the storekeeper-gauger will furnish the proprietor of the warehouse with a copy of the list of containers of spirits on which the bonded period will expire during the 6 months then beginning, and will call his attention to the necessity of withdrawing the spirits before the expiration of the bonded period. The storekeeper-gauger will also submit a copy of the list to the district supervisor. This provision is intended only to protect the interest of the Government. It shall not in any way release the warehouseman of any obligation imposed upon him by law or this part, or assumed under his bond, to withdraw spirits from bond within the time required by law. Whenever the warehouseman fails to withdraw any spirits before the expiration of the 8-year bonded period of storage, the storekeeper-gauger will gauge such spirits and will make report thereof to the district supervisor, as provided in § 185.420.

FAILURE TO REMOVE SPIRITS WITHIN 8-YEAR PERIOD

§ 185.420 *Gauge.* Where the proprietor fails to file application for the tax-payment or other authorized withdrawal of distilled spirits in packages or tanks prior to expiration of the statutory 8-year period, the storekeeper-gauger will, at the expiration of such period, gauge the spirits, prepare Form 1520, in quintuplicate, and forward four copies thereof to the district supervisor with a letter of transmittal giving the facts. Likewise, where the proprietor fails to file application on Form 1519 for the tax-payment and withdrawal of distilled spirits in cases prior to expiration of the statutory 8-year period, the storekeeper-gauger will, at the expiration of such

period, prepare report on Form 1519, in quintuplicate, and forward four copies thereof to the district supervisor with a letter of transmittal giving the facts. The storekeeper-gauger will furnish the proprietor of the warehouse with one copy each of Form 1520 or 1519 and the letter of transmittal, and will retain one copy of the transmittal letter for his files.

(Secs. 2879, 2901, I. R. C.)

§ 185.421 Assessment and collection of tax. The district supervisor will forward all copies of Form 1520 or Form 1519 to the collector with a transmittal letter recommending that an assessment be made. The collector will enter the tax for assessment on his current distilled spirits assessment list. If the proprietor upon receipt of notice and demand fails to pay the tax within the time required by law, the collector shall proceed to collect the same by distraint. Upon collection of the tax on spirits in packages the collector will certify the taxpayment on the four copies of Form 1520, issue taxpaid stamps, enter the serial numbers thereof in the appropriate columns on the four copies of Form 1520, retain one copy of the form, forward three copies of the form to the proprietor with the stamps, and advise the district supervisor that the tax has been paid. The collector will then file an office claim on Form 843 for abatement of the assessment remaining outstanding as the result of the transaction. Upon collection of the tax on spirits in cases the collector will certify the taxpayment on the four copies of Form 1519, retain one copy of the form, forward three copies of the form to the proprietor, and advise the district supervisor that the tax has been paid.

(Sec. 2879, I. R. C.)

§ 185.422 Removal of spirits. The proprietor shall deliver the three copies of Form 1520 and accompanying tax paid stamps, or the three copies of Form 1519, to the storekeeper-gauger, whereupon the packages will be duly stamped and marked, or the cases duly marked, as the case may be, and removed from the warehouse. The storekeeper-gauger will note the date of removal on the three copies of Form 1520 or Form 1519, retain one copy of the form, deliver one copy to the proprietor, and forward one copy to the district supervisor.

(Sec. 2879, I. R. C.)

STAMPING UNDERPROOF SPIRITS SOLD ON DISTRAINT

§ 185.423 Issuance of taxpaid stamps. Where distilled spirits offered for sale on distraint for taxes, where the taxes on such spirits have not been paid, will not, by reason of being below proof, bring a price equal to the tax thereon, but will bring a price equal to or greater than the tax on such spirits if computed only upon the proof gallons contained in the packages, then, and in such case, upon sale being so made, taxpaid stamps to the amount required to stamp such spirits as if the tax thereon were only on the proof gallons may be used by the collector making such sale, without making payment for such stamps so used.

(Sec. 2805, I. R. C.)

§ 185.424 Affixing stamps. The collector making sale of the spirits must write across the face of each stamp the true number of wine and proof gallons in the package, the amount of tax paid, and the words "Affixed under provisions of Internal Revenue Code, section 2805 (b)," and must affix, or cause to be affixed, the stamp securely to the package.

(Sec. 2805, I. R. C.)

§ 185.425 Voucher. When underproof spirits are sold pursuant to § 185.423, the collector will prepare an affidavit in duplicate, setting forth fully the facts respecting the sale of the spirits and the issuance and affixation of the stamps, and will forward the original of such affidavit to the Commissioner as a voucher for the allowance of credit for the stamps in his account.

(Sec. 2805, I. R. C.)

TRANSFER OF SPIRITS BETWEEN BUILDINGS CONSTITUTING SAME WAREHOUSE

§ 185.426 Procedure. Where spirits are to be transferred between buildings of the same warehouse, the warehouseman shall notify the storekeeper-gauger in charge of such intention and the spirits shall be transferred under the immediate supervision of the storekeeper-gauger. The storekeeper-gauger will inspect the packages or cases to be transferred and, if it is ascertained that the containers have been tampered with, a report will be made to the district supervisor in accordance with applicable provisions of § 185.486.

(Sec. 2901, I. R. C.)

INSTRUMENTS

§ 185.427 To be removed or locked up when not in use. All instruments, such as bung starters, thieves, hose, palls, etc., used in a bonded warehouse in gauging spirits or in effecting a change of package or in the taking of authorized samples, which are susceptible of use for removing bungs or otherwise gaining access to or removing the contents of packages, except instruments and vessels kept in the warehouse for fire prevention purposes, shall be removed from the warehouse when not in use or delivered to the storekeeper-gauger to be locked up by him in some secure place.

SUBPART U—BLENDING OF BRANDIES

§ 185.450 Limitations. Fruit brandies distilled from the same kind of fruit at not more than 170 degrees proof may, for the sole purpose of perfecting such brandies according to commercial standards, be mixed or blended with each other, or with any such mixture or blend, by the distiller thereof in any internal revenue bonded warehouse operated by him exclusively for the storage of brandy or wine spirits. The blending must improve (perfect) the brandy according to the approved commercial standard of the blended product. Any blending of brandy of standard quality with brandy of inferior quality for the purpose of stretching or increasing the volume of the standard quality brandy and which results in the manufacture of a product inferior to the standard quality brandy before blending, constitutes rectification

and may not be done on internal revenue bonded warehouse premises.

(Sec. 2801, I. R. C.)

§ 185.451 Distiller. As used in this subpart, the term "distiller" includes any one or more distillers associated as members of any farm cooperative, or any one or more distillers affiliated within the meaning of section 17 (a) (5) of the Federal Alcohol Administration Act, or any fruit distiller for whose account, recorded with the district supervisor at the time of production, the brandy to be blended was produced.

(Sec. 2801, I. R. C.)

§ 185.452 Eligibility for blending. For the purpose of determining eligibility for blending, brandy distilled from the same kind of fruit at not more than 170 degrees proof shall be considered distilled by the distiller operating the internal revenue bonded warehouse (a) where it was actually distilled by him, (b) where it was produced by a distiller associated with him as a member of a farm cooperative, (c) where it was produced by a distiller affiliated with him, that is, one of such distillers has control of the other or the distillers are subject to common control, actual or legal, directly or indirectly, whether by stock ownership or otherwise, or (d) where it was produced for his account, provided such production was recorded with the district supervisor at the time of production as required in § 185.453.

(Sec. 2801, I. R. C.)

§ 185.453 Copy of agreement to be filed with district supervisor. When brandy to be blended is produced for the account of the distiller, the distiller at whose warehouse brandies are to be blended shall file with the district supervisor a certified copy of the agreement under which the brandy is to be produced for his account. The agreement shall set forth the name and registry number of the producing distiller, kind, the approximate amount of brandy to be produced, and the approximate time of production, and should clearly show that the producing distiller was engaged to produce brandy for the account of the blending distiller.

(Sec. 2801, I. R. C.)

§ 185.454 Action by district supervisor. Upon receipt of the agreement the district supervisor shall examine it closely. To conform to the law brandy to be blended must actually be produced for the account of the blending distiller. If it appears that the agreement is a contract to produce brandy for the account of the blending distiller and is not merely a contract to sell production, the district supervisor shall notify the storekeeper-gauger assigned to the premises of the producing distiller of the names of the distillers involved and the kind and quantity of brandy to be produced for blending. The storekeeper-gauger will then take action in accordance with the procedure outlined in §§ 185.455 and 185.456.

(Sec. 2801, I. R. C.)

§ 185.455 Action by storekeeper-gauger. Upon completion of the entry gauge and execution of the Distiller's

Entry for Deposit, the storekeeper-gauger shall examine the packages involved and, where the distiller has affixed to a package a tag stating "Produced for the Account of (name of distiller for whom produced)" and the district supervisor has advised the storekeeper-gauger of the agreement to produce for the account of that blending distiller, he shall make a notation on the reverse side of all copies of the Form 1520 stating in effect "Produced for the Account of (name of distiller for whom produced)." If only a portion of the brandy covered by the Form 1520 was produced for the account of the fruit distiller who intends to blend brandy, the storekeeper-gauger shall show the serial numbers of the packages and aggregate proof gallons of brandy so produced. The statement shall be signed by the storekeeper-gauger. In the absence of tags on the containers denoting for whom the brandy was produced, or in the absence of a statement by the district supervisor relative to the agreement under which the brandy was produced, the storekeeper-gauger shall not assume that the brandies were produced for the account of another and shall make no statement relative thereto.

(Sec. 2801, I. R. C.)

§ 185.456 *Transfers in bond.* Where brandy produced for the account of a fruit distiller is transferred in bond, a transcript of the storekeeper-gauger's statement as required by § 185.455 shall be made on each copy of Form 1619. The transcript shall be shown on the face of the Form 1619 or on the reverse. If shown on the reverse, proper reference thereto should be made in the space to the left of "Date Received in Warehouse."

(Sec. 2801, I. R. C.)

§ 185.457 *Record to be made by district supervisor.* Upon receipt of a copy of Form 1520 showing brandy produced for the account of a blending distiller, the district supervisor shall note on the agreement, or on a suitable index card, the date of production, the serial numbers of the packages, and the aggregate proof gallons covered by the Form 1520.

(Sec. 2801, I. R. C.)

§ 185.458 *Notice of commencement.* After the brandy-blending department has been duly approved by the Commissioner, the proprietor of the warehouse shall, before beginning blending operations, give notice, in triplicate, to the district supervisor through the storekeeper-gauger in charge of the warehouse, of his intention to blend brandies. Upon approval of the notice by the district supervisor, two copies shall be forwarded to the storekeeper-gauger in charge and the original copy shall be retained in his office. The storekeeper-gauger shall deliver one copy to the proprietor, and retain the other copy in the Government office.

(Sec. 2801, I. R. C.)

§ 185.459 *Notice of discontinuance.* In the event the proprietor desires to discontinue blending operations, either temporarily or permanently, and to use the space and facilities of the blending department for other duly authorized

warehouse purposes, he shall give notice, in triplicate, of discontinuance to the district supervisor through the storekeeper-gauger in charge of the warehouse that all brandies have been removed from the brandy-blending department and shall state the purpose or purposes for which he proposes to use the department. The storekeeper-gauger shall inspect the brandy-blending department and if all brandies have been removed therefrom, he shall certify to such fact on each copy of the notice of discontinuance and forward the three copies to the district supervisor. The district supervisor shall examine the notice and if the proposed use stated by the warehouseman is in accordance with law and the provisions of this part he shall endorse his approval on each copy of the notice. Upon approval by the district supervisor, two copies of the notice shall be forwarded to the storekeeper-gauger in charge and the original copy shall be retained in his office. The storekeeper-gauger shall deliver one copy to the proprietor, and the other copy shall be retained by him in the Government office. The storekeeper-gauger shall then remove the locks from the doors to the brandy-blending department. Where brandy-blending tanks are to be used for other purposes, such as the storage of fortifying brandy, the tanks must be temporarily marked to show such use, but the permanent marks on the tanks should not be disturbed. After notice of discontinuance has been approved, and before resuming blending operations, a new notice of commencement must be filed and approved.

(Sec. 2801, I. R. C.)

APPLICATION TO BLEND

§ 185.460 *Brandies not previously blended.* When a distiller desires to blend brandies at his warehouse he shall file application on Form 1685, in triplicate, fully describing the brandies to be blended and giving all the information called for by the form. Each form shall be given a serial number beginning with "1" for the 1st day of January of each year and running consecutively thereafter to December 31st, inclusive. The application shall show, as to each kind of brandy not previously blended, the following:

- (a) The number of packages;
- (b) The serial numbers of the packages;
- (c) The kind of brandy as marked on the packages;
- (d) The date of original entry for deposit;
- (e) Original tax gallons;
- (f) Proof of distillation;
- (g) The name of the producing distiller, registry number of the distillery and State in which the distillery is located.

(Sec. 2801, I. R. C.)

§ 185.461 *Brandies previously blended.* When previously blended brandies are to be dumped for blending with other brandies, the distiller shall file application on Form 1685, in triplicate, showing (in re-

spect to such previously blended brandies) the following:

- (a) The number of packages;
- (b) The serial numbers of the packages;
- (c) The kind of brandy as marked on the packages;
- (d) Date of original entry of oldest brandy in blend;
- (e) Date of original entry of youngest brandy in blend;
- (f) Proof gallons marked on the packages;
- (g) The name of the blending distiller and registry number of the warehouse in which the blending was done and State in which the warehouse is located;
- (h) Date and serial number of the Form 1685 covering each prior blend and the name of the blending distiller, registry number of the warehouse in which the blending was done and State in which the warehouse is located, as shown on each such Form 1685. Where a prior blending was effected in a warehouse in another district, a copy of the Form 1685 covering such blending shall be submitted with the application.

(Sec. 2801, I. R. C.)

§ 185.462 *Blending of different types or productions.* Where two or more types of brandy produced from the same kind of fruit (such as grape less brandy, grape pomace brandy, grape brandy) are to be blended together, the applicant shall state the percentage of each type of brandy to be contained in the resultant blend. Where any brandy to be blended was produced at a distillery operated under a name other than the name of the blending distiller, the application shall show whether such distillery was operated by an associate or by an affiliate, or whether the brandy was produced for the account of the blending distiller. The application shall show the proposed designation of kind for the brandy after blending.

(Sec. 2801, I. R. C.)

§ 185.463 *Evidence of affiliation or association.* Where brandy produced by an associate or an affiliate of the blending distiller is to be blended, the blending distiller must file with the district supervisor documentary evidence establishing such association or affiliation.

(Sec. 2801, I. R. C.)

§ 185.464 *Bond coverage.* The blending distiller must state, as to the brandy produced by each distiller, whether the producer thereof has filed consent of surety on Form 1533 stipulating that his distiller's bond shall continue to be liable for the tax imposed by section 2800 (a) (1), I. R. C., on such brandy after it has been blended with other brandy. The consent of surety may be prepared to cover a specific lot or lots of brandy, or to cover all brandy produced by the distiller which is blended with other brandy.

(Sec. 2801, I. R. C.)

§ 185.465 *Action by district supervisor.* All copies of Form 1685 shall be submitted to the district supervisor for his approval. Upon receipt of the application the district supervisor shall deter-

mine whether the proposed designation of kind for the blended brandy conforms to the provisions of section 21, class 4 of Regulations 5, relating to the labeling and advertising of distilled spirits under the provisions of the Federal Alcohol Administration Act and shall otherwise determine that the brandies described on the form are eligible for blending pursuant to the provisions of section 2801 (e) (5), I. R. C. The district supervisor shall determine whether, for each distiller of brandy to be blended, there is on file a consent of surety stipulating that the distiller's bond shall continue to be liable for the tax imposed by section 2800 (a) (1), I. R. C., after brandy produced by such distiller has been blended. The district supervisor shall also determine whether documentary evidence has been submitted to establish (a) that the brandy was produced by a distiller associated with the blending distiller as a member of a bona fide farm cooperative or (b) that the brandy was produced by a distiller affiliated (as defined in § 185.451) with the blending distiller or (c) that the brandy was produced by a distiller for the account of the blending distiller and such production was recorded (as required by § 185.454). Where the applicant has not established that the proposed blending will be in accordance with the provisions of this subpart, the district supervisor shall not approve the application and shall return it with a statement showing the reason therefor. If the district supervisor is doubtful whether the proposed designation of kind is correct, or if he is doubtful for other reasons that the application should be approved, the matter should be submitted to the Commissioner for advice. If the application is approved all copies of the Form 1685 should be forwarded by the district supervisor to the storekeeper-gauger in charge of the internal revenue bonded warehouse.

(Sec. 2801, I. R. C.)

§ 185.466 *Action by the storekeeper-gauger.* Upon receipt of the approved application, Form 1685, the storekeeper-gauger shall inspect and gauge the packages and make detailed report of such gauge on Form 1520, in triplicate. Where brandies covered by the application, Form 1685, were produced by different distillers or at different distilleries, separate report of gauge, Form 1520, shall be prepared for the product of each distiller or distillery. The storekeeper-gauger shall, in every instance, note on Forms 1520 the serial number and date of the application, Form 1685. The provisions of §§ 185.480 to 185.497 will be followed as to any packages bearing evidence of tampering or unaccountable loss of contents.

(Sec. 2801, I. R. C.)

§ 185.467 *Verification of Forms 1520.* Where the quantity of a type or lot of brandy to be blended with another type or lot of brandy is limited to a maximum percentage, the storekeeper-gauger and the distiller should examine the Forms 1520 covering the regauge of the brandy which is limited to a maximum percentage to determine (before the report of the storekeeper-gauger on Form 1685

is executed) that the quantity of such brandy (calculated on a proof gallon basis) is not in excess of the maximum percentage authorized by the approved application. Where the quantity of a type or lot of brandy regauged exceeds the maximum percentage authorized for blending, the storekeeper-gauger may, at the distiller's request, delete the packages containing such quantities (in no case less than a whole package) from the application and line out the entries on the regauge report and permit the return of the packages to the storage portion of the warehouse. The deletion in the application must be verified by the distiller and initialed by him. Where compliance with the statement of maximum percentage cannot be obtained in this manner, the blending operation should be suspended and the matter submitted to the district supervisor for advice.

(Sec. 2801, I. R. C.)

§ 185.468 *Disposition of Forms 1685.* Upon completion of the report as to brandy dumped, blended, and returned to the storage portion of the warehouse, the storekeeper-gauger shall forward one copy of the form and one copy of Form 1520 to the district supervisor, deliver one copy of each form to the proprietor of the warehouse, and file one copy of each form in his office.

(Sec. 2801, I. R. C.)

§ 185.469 *Audit by district supervisor.* At the time of auditing Forms 1520 and 1685 covering the blending of brandies, the district supervisor shall determine whether the quantities blended were in a proportion which would permit the designation of kind given to the resultant blend.

(Sec. 2801, I. R. C.)

BLENDING, GAUGING AND MARKING

§ 185.470 *Transfer of brandies to blending tank.* Before brandies are transferred to the brandy-blending tank, the storekeeper-gauger shall lock the outlet to the tank, and after all brandies have been transferred to the brandy-blending tank the storekeeper-gauger shall lock the inlet to the tank. The contents of the tank must be thoroughly agitated, the proof determined, and the contents of the tank gauged. The proof so determined shall be considered the proof of the brandy drawn into packages from the tank.

(Sec. 2801, I. R. C.)

§ 185.471 *Disposition of empty packages.* Immediately upon being emptied, the packages from which brandies were dumped for blending shall be examined by the storekeeper-gauger for the purpose of determining that all brandies were removed therefrom; that all the marks and brands have been obliterated; and that such packages are removed from the warehouse: *Provided*, That in the event such packages are to be used as containers for the blended brandies, so many as are required to contain the blended brandies may be retained in the brandy-blending department for that purpose. Such empty packages shall be

segregated from any filled packages in the brandy-blending department.

(Sec. 2801, I. R. C.)

§ 185.472 *Drawing off brandies.* Brandies must be drawn from the brandy-blending tank into packages on or before the third day following the deposit of the same therein. When brandies are to be drawn from the tank the storekeeper-gauger shall see that all valves and openings other than the necessary outlet valve are closed and locked before the brandies are drawn from the tank. The storekeeper-gauger shall open and close the locks, but it shall be the duty of the warehouseman to manipulate the stop-cocks or valves controlling the flow of the spirits. The storekeeper-gauger assigned to the brandy-blending department is required to be present and personally supervise the drawing off of all brandy in the tank, the marking and branding of all packages filled therefrom. He shall also see that all mechanical duties connected with such operations are properly performed as provided in this part.

(Sec. 2801, I. R. C.)

§ 185.473 *Gauging of blended brandy.* All brandies drawn from brandy-blending tanks shall be gauged by the storekeeper-gauger and reported on Form 1520. All information indicated by the headings of the various columns and lines and instructions printed on the form shall be furnished. The storekeeper-gauger shall, in every instance, note on Form 1520 the serial number of the application, Form 1685, under which the brandies were blended and the dates of original entry of (a) the oldest brandy and (b) the youngest brandy contained in the blend.

(Sec. 2801, I. R. C.)

§ 185.474 *Numbering of packages.* All packages filled from brandy-blending tanks shall be serially numbered, separately from packages filled at the distillery or from storage tanks in the bonded warehouse, beginning with number "1," preceded by the letters "BL," as "BL-1, BL-2," etc. The symbol "BL" shall be considered a part of the serial number and must be shown as part of the serial number on all official forms or records.

(Secs. 2801, 2825, 2878, 2883, I. R. C.)

§ 185.475 *Marking of packages.* Immediately upon filling of the packages, or prior to filling, the blending distiller shall mark upon the head of the package by branding or stenciling the following information:

(a) The kind of brandy as shown on the Form 1685.

(b) The words "Blended By."

(c) The name of the blending distiller.

(d) The registered number of the warehouse, and the State in which the warehouse is located.

(e) The serial number of the package.

(f) The date of filling of the package.

(g) The date of original entry of the oldest brandy in the mixture.

(h) The date of original entry of the youngest brandy in the mixture.

- (i) Proof of blended brandy.
- (j) Tare of container.
- (k) Proof gallon content.

The following is an illustration of the marking of packages:

GRAPE BRANDY

Blended by

JOHN DOE DISTILLING CO.

I. R. B. W. No. 217, Calif.

P. 127 S. N.—BL 10907
T. 101 Filled 7-29-47
P. G. 6130 Orig. Ent. O. B. 6-19-45
Orig. Ent. Y. B. 6-19-46

[Space reserved for withdrawal marks and stamps]

Such marks and brands shall be placed upon the packages in letters and figures not less than three-fourths inch in height or one-half inch in the case of half-barrels. The head of the package bearing these marks shall be known as the "Government head." No marks other than those required by this part shall be placed upon the Government head of such package.

(Sec. 2801, I. R. C.)

§ 185.476 Losses of blended brandy. Where a loss of blended brandy in bond is found, under the provisions of §§ 185.480 to 185.497, to be subject to the tax imposed on distilled spirits by section 2800 (a) (1), I. R. C., the blended brandy is also subject to the rectification tax of 30 cents a proof gallon under the provisions of section 2801 (e) (5), I. R. C.

(Secs. 2801, 2901, I. R. C.)

§ 185.477 Withdrawal of blended brandies. Brandies mixed or blended in accordance with the provisions of this Subpart may be stored, transported, transferred in bond, withdrawn from bond taxpaid or tax-free, or be otherwise disposed of, in the same manner as such brandies not so mixed or blended. The foregoing should not be construed as meaning that such blended brandies are eligible for bottling in bond.

(Sec. 2801, I. R. C.)

SUBPART V—LOSSES OF DISTILLED SPIRITS WHILE IN BOND

§ 185.480 Taxable losses. The law provides that no tax shall be collected in respect of distilled spirits lost or destroyed while in bond, except that such tax shall be collected:

(a) *Theft.* In the case of loss by theft unless the Commissioner shall find that the theft occurred without connivance, collusion, fraud, or negligence on the part of the distiller, warehouseman, owner, consignor, consignee, bailee, or carrier, or the employees of any of them; and

(b) *Voluntary destruction.* In the case of voluntary destruction unless the distilled spirits were unfit for use for beverage purposes and the warehouseman, or other person responsible for the tax, obtained the written permission of the Commissioner for such destruction in each case.

(Sec. 2901, I. R. C.)

§ 185.481 Insurance coverage. The remission, abatement or refund of the tax on distilled spirits lost by theft while

in bond may be allowed only to the extent that the claimant is not indemnified against or recompensed for such tax.

(Sec. 2901, I. R. C.)

§ 185.482 Proof of loss. In the case of loss by theft a warehouseman or other person responsible for the tax desiring to be relieved of the tax liability must file a claim and establish to the satisfaction of the Commissioner that the theft occurred without connivance, collusion, fraud, or negligence on the part of the distiller, warehouseman, owner, consignor, consignee, bailee, or carrier, or the employees of any of them. In any case in which spirits are lost or destroyed, the warehouseman or other person responsible for the tax shall, upon receipt of a request from the district supervisor, file a claim for relief from the tax and submit proof as to the cause of loss. In any instance where a claim is required, allowance for tax on the loss may only be made pursuant to such claim.

(Secs. 2880, 2901, 3031, 3170, I. R. C.)

§ 185.483 Losses by theft. Where inspection of any package or container indicates that there may have been theft of distilled spirits therefrom, the storekeeper-gauger or other officer will follow the procedure outlined in § 185.486.

(Sec. 2901, I. R. C.)

§ 185.484 Unauthorized voluntary destruction. The tax on distilled spirits voluntarily destroyed without authority may not be remitted or refunded. Where distilled spirits stored in bond are unfit for beverage purposes and the warehouseman desires to be relieved of the tax liability thereon, he should make application for authority to destroy the spirits as provided in § 185.511. Where spirits are lost as a result of negligence or failure to exercise due care and diligence on the part of persons having custody of the spirits, as provided in § 185.394, and it appears that the spirits may be subject to additional unnecessary loss, the district supervisor will forward a copy of the inspection gauge and copies of all reports and correspondence with his recommendation to the Commissioner. The Commissioner may require tax payment and removal of such spirits from the warehouse if there is evidence of such willful negligence on the part of the warehouseman to exercise due care and diligence as will constitute unauthorized voluntary destruction.

(Secs. 2880, 2901, I. R. C.)

§ 185.485 Other losses. If, upon gauge for removal, the loss of distilled spirits from any package or container is found to be in excess of what in the storekeeper-gauger's opinion is normal storage or transit loss, and there is evidence that such loss resulted from a cause or causes other than theft or unauthorized voluntary destruction, the condition of the container and the apparent cause of the loss shall be noted by the storekeeper-gauger on the gauge report. However, the container need not be detained. Where a damaged package which has sustained an unusual

loss from obvious cause other than theft or unauthorized voluntary destruction is found either upon preparation for, or receipt after, transfer in bond the package will be weighed and proofed and the weight, proof, amount of loss, apparent cause and date will be noted on the Form 1619. Where a damaged package or other container which has sustained an unusual loss from obvious cause other than theft or unauthorized voluntary destruction is found upon warehouse inspection, a complete inspection gauge will be made and the amount of loss, apparent cause and date of inspection gauge noted on the deposit form. A tag similar to that required by § 185.486 will be securely attached to the container. Losses from containers such as tank cars, steel drums or warehouse storage tanks may be considered to be normal when such deficiency does not exceed 1 percent of the quantity entered therein and there are no circumstances indicating tampering or abstraction. A determination regarding the nature and extent of losses from storage tanks will be made each time such tanks are emptied. A separate determination regarding losses from storage tanks will be made on the basis of a physical inventory at the close of each month and losses, if any, noted on Form 1621 in accordance with § 185.1021. Normal losses from wood containers will vary depending upon the type and condition of the cooperage and method and period of storage in each particular case.

(Sec. 2901, I. R. C.)

§ 185.486 Report of losses. Losses of distilled spirits in bond, other than those which may be attributed to normal storage or transit losses or to obvious defects in the cooperage must be reported to the district supervisor by the warehouseman immediately after the losses are discovered. Where such losses occur or are ascertained while the storekeeper-gauger is on duty, and if in his opinion the loss resulted from theft or unauthorized voluntary destruction, he will immediately make a full report of the loss to the district supervisor in sufficient detail to bring out all known facts and circumstances relating to such loss. The storekeeper-gauger will place on the package or container a tag showing the name of the distiller, the registry number and State of the distillery, the serial number of the package, the gross weight, the proof, the date and his name and will also place on the deposit form opposite the package a notation showing the date and the gross weight as of that date. The storekeeper-gauger will also place a detainer on the package or container.

(Sec. 2901, I. R. C.)

§ 185.487 Investigation by district supervisor. The district supervisor will consider the nature and extent of any loss reported by the warehouseman or Government officer and will immediately make such investigation and require such evidence to be submitted as he may deem necessary. If, in the opinion of the district supervisor, the loss resulted from theft or unauthorized voluntary destruction, he will advise the warehouseman by

letter (a) the identity of the container; (b) the circumstances indicating loss by theft or unauthorized voluntary destruction; (c) that filing of proof of loss and claim for remission of the tax is required; and (d) that notification to the Commissioner of the facts in the case will be withheld for a period not exceeding 15 days to afford the warehouseman opportunity for examination of the container and to submit such statements as may be deemed necessary.

(Sec. 2901, I. R. C.)

§ 185.488 Filing of claims. Claims for the remission of tax on spirits will be filed promptly with the supervisor of the district in which is located the bonded warehouse at which the loss occurred, or in case of loss in transit, the bonded warehouse to which the spirits were transferred. When loss of spirits in bond under other circumstances occurs, claim should be filed with the supervisor of the district where the bond covering exportation or removal for other purpose is filed.

(Sec. 2901, I. R. C.)

§ 185.489 Form of claims. Claims for remission of tax on losses of distilled spirits in bond shall be made on letter-size paper, in duplicate, showing the name, address, and capacity of the claimant and setting forth, under oath, the following information:

- (a) The name of the distiller who produced the spirits, and the registered number and location of the distillery;
- (b) The serial numbers of the packages, cases, or tanks from which the spirits were lost. In the case of tank cars, the car numbers will be stated;
- (c) The quantity of spirits lost from each package or other container, and the total quantity of spirits covered by the claim;
- (d) The total amount of tax for which the claim is filed;
- (e) The date of the loss, or, if such date is not known, the date on which the loss was discovered and the cause and nature thereof, together with all the facts surrounding the loss;
- (f) The name of the carrier, if any;
- (g) If lost by theft, the facts establishing whether the loss occurred as the result of any negligence, connivance, collusion, or fraud on the part of the distiller, owner, warehouseman, consignor, consignee, bailee, or carrier, or the employees of any of them;
- (h) If lost by theft, whether the claimant is indemnified or recompensed for the loss, and, if so, the amount and nature of such indemnity or recompense. The actual value of the spirits, less the tax, must be stated explicitly and, where required, certified copies of all policies of insurance or other documents of indemnity covering the spirits must be furnished.

(Sec. 2901, I. R. C.)

§ 185.490 Supporting documents. Claims for remission of tax on spirits lost while being transferred by carrier shall be supported whenever possible, by a copy of the bill of lading and statements of the agents of the carrier having personal knowledge of the loss. Claims covering losses in the bonded warehouse,

or while in bond under other circumstances must be supported by affidavits of persons having personal knowledge of the loss.

(Sec. 2901, I. R. C.)

§ 185.491 Examination of claim. When a claim for remission of tax is received by the district supervisor he will carefully examine the same to see that all the required information has been furnished and will cause such investigation to be made or require such additional evidence to be submitted as he may deem necessary. Upon completion of his investigation, if any, the district supervisor will forward one copy of the claim and accompanying papers, together with any pertinent reports and documentary evidence to the Commissioner with his recommendation in respect to the allowance or disallowance of the claim.

(Sec. 2901, I. R. C.)

§ 185.492 Action on claim. If the Commissioner finds that a loss of distilled spirits from a container resulted from unauthorized voluntary destruction, or from theft and the warehouseman or other person responsible for the tax fails to establish that the loss did not occur as a result of connivance, collusion, fraud, or negligence on the part of the distiller, warehouseman, owner, consignor, consignee, bailee, or carrier, or the employees of any of them, he may instruct the district supervisor to require the taxpayer and withdrawal of the distilled spirits upon the original quantity entered into the warehouse in such package, notwithstanding that the time specified in any bond given for the withdrawal of the spirits entered into the warehouse in such container has not expired. Upon receipt of notification that a claim has been rejected, the warehouseman should file an application on Form 179, or Form 1519, if the distilled spirits are in cases, for the withdrawal of the distilled spirits upon payment of tax. If an application for the taxpayer and withdrawal of the distilled spirits is not made by the warehouseman, the district supervisor will furnish the collector of internal revenue with four copies of Form 1520 covering gauge of the distilled spirits, or Form 1519 if distilled spirits in cases are involved, showing the tax due, with a letter of transmittal requesting that the tax be assessed against the warehouseman. Upon payment of the tax, the procedure prescribed in §§ 185.422 and 185.423 will be followed in respect to the issuance of taxpaid stamps and removal of the spirits from the warehouse.

(Secs. 2880, 2901, I. R. C.)

§ 185.493 Failure to file claim. Where distilled spirits in bond are reported to have been lost and claim for remission of tax is required in accordance with § 185.488 and the required claim is not filed, the district supervisor will report the matter to the Commissioner.

(Sec. 2901, I. R. C.)

§ 185.494 Remission of tax. If the entire contents of a container are lost and a claim for remission of the tax is allowed, the district supervisor will take

credit therefor upon receipt of notice from the Commissioner of the allowance. If the tax is remitted on a portion of the contents of a container still in bond, or if the district supervisor determines that no claim is required, he will so advise the storekeeper-gauger who will remove the detainer from the package and note on the deposit records the date of letter of advice from the district supervisor.

(Sec. 2901, I. R. C.)

§ 185.495 Records. The storekeeper-gauger will report losses of distilled spirits in his monthly return, Form 1513. The district supervisor will maintain a control account for losses in warehouses and in transit thereto on Form 1691.

(Secs. 2915, 3170, 3953, I. R. C.)

§ 185.496 Credit upon withdrawal. Upon withdrawal of packages and tank cars the proprietor will take credit on the report of withdrawal gauge, Form 1520, prepared in accordance with § 185.601, for the quantity of spirits upon which tax has been remitted by deducting such quantity from the original contents. He will show in an unused space on Form 1520 the date and symbols appearing on the letter allowing the claim for remission of such tax. Where cases of distilled spirits are withdrawn this information will be noted on the Form 1519 covering the withdrawal prepared in accordance with § 185.670.

(Secs. 2901, 3170, I. R. C.)

§ 185.497 Prior losses. Any claims for remission or refund of the tax on spirits lost prior to September 1, 1950, shall be subject to the provisions of section 2901 of the Internal Revenue Code and this part as they existed prior to that date.

(Sec. 2901, I. R. C.)

SUBPART W—VOLUNTARY DESTRUCTION OF SPIRITS

§ 185.510 General. Distilled spirits stored in an internal revenue bonded warehouse, which are found to be unfit for use for beverage purposes, may be voluntarily destroyed without payment of tax by the warehouseman in accordance with this subpart.

(Sec. 2901, I. R. C.)

§ 185.511 Application. The warehouseman will make written application to the supervisor of the district in which the warehouse is located for permission to destroy such spirits. The application shall specify the kind and approximate quantity, proof, and proof gallons of such distilled spirits; the name, address, and registered distillery number of the distiller who produced the spirits; the date of production; the serial numbers of the barrels, tanks, or cases in which the spirits are stored, and a statement showing the condition of the spirits which renders them unfit for beverage purposes.

(Sec. 2901, I. R. C.)

§ 185.512 Inspection and analysis. Upon receipt of such application, the district supervisor will require an inspection to be made of the spirits by the storekeeper-gauger to determine the correctness of the application and to pro-

cure a sample from each barrel, tank, or case for submission to the district chemist for analysis to determine whether the spirits are unfit for beverage purposes. Each sample will consist of one pint, or if deemed advisable, one quart, in the case of barrels and tanks, and one or more bottles representative of each bottling lot. The bottle containing the sample will be labeled in such manner as will readily identify the spirits. The samples will be forwarded to the district chemist at the expense of the warehouseman. The district chemist will analyze the samples and furnish a report of such analysis to the district supervisor. The unused portion of the samples will be retained by the district chemist for further examination, if necessary.

(Sec. 2901, I. R. C.)

§ 185.513 *Action by district supervisor—(a) Unfit for beverage purposes.* If the district supervisor finds that the spirits are unfit for beverage purposes, he will authorize such spirits to be destroyed by the warehouseman under the supervision of a storekeeper-gauger.

(b) *Fit for beverage purposes.* If the district supervisor finds that the spirits are fit for beverage purposes, he will disapprove the application and notify the warehouseman that the spirits have been determined to be fit for beverage purposes and that they may not be destroyed without payment of tax.

(Secs. 2901, 3170, I. R. C.)

§ 185.514 *Gauge and destruction.* Spirits authorized to be destroyed will be gauged by the storekeeper-gauger and reported for that purpose on Form 1520, in triplicate. Following such gauge the spirits may be destroyed under the immediate supervision of the storekeeper-gauger by running the same into a sewer or by other suitable means to preclude their recovery. The storekeeper-gauger will then certify to such destruction and the manner thereof on the Form 1520, return one copy of the form to the warehouseman, retain one copy for his file, and forward one copy to the district supervisor. He will take appropriate credit for the spirits so destroyed at a special line on Form 1513. The applicable provisions of §§ 185.480 to 185.497 will be followed in connection with any package bearing evidence of loss by theft or otherwise.

(Sec. 2901, I. R. C.)

SUBPART X—TRANSFER OF SPIRITS TO BOTTLING-IN-BOND DEPARTMENT

§ 185.520 *Procedure.* The transfer of distilled spirits to the bottling-in-bond department and the bottling thereof shall be pursuant to application made to the storekeeper-gauger in charge of the warehouse on Form 1515, in quintuplicate, and in accordance with the procedure prescribed in Subparts NN and RR of this part.

(Secs. 2903, 2904, I. R. C.)

§ 185.521 *Mingling in gauging tank of spirits intended for bottling-in-bond.* Only spirits which are eligible for mingling for bottle-in-bond under the provisions of § 185.901 may be mingled in a warehouse gauging tank for convenience

in transfer to the bottling-in-bond department.

(Sec. 2903, I. R. C.)

SUBPART Y—WITHDRAWALS OF SAMPLES OF DISTILLED SPIRITS

SAMPLES OF BRANDY OR FRUIT SPIRITS

§ 185.530 *General.* The proprietor of an internal revenue bonded warehouse may withdraw from containers in the warehouse suitable samples of brandy or fruit spirits, which samples shall be tax-free if for laboratory analysis and taxpaid if for any other use.

(Sec. 3037, I. R. C.)

TAX-FREE SAMPLES OF BRANDY OR FRUIT SPIRITS FOR LABORATORY ANALYSIS

§ 185.531 *Number and size.* Samples of brandy or fruit spirits for laboratory analysis (including organoleptic examination) must be taken from packages designated as sample packages or from storage tanks. Except upon authority of the district supervisor or the Commissioner, not more than one sample may be removed from any sample package or from the same lot of brandy or fruit spirits in a storage tank in a period of six months. The number of packages that may be designated as sample packages shall be limited, as to each kind of brandy or fruit spirits and each type of cooperage (as designated by the mandatory marks and brands on the packages), to not more than one in each twenty-five packages of any such lot or brandy or fruit spirits of the same entry gauge on storage in the warehouse: *Provided*, That where less than 25 packages of any such lot of brandy or fruit spirits are on storage, one package in the lot may be designated as a sample package. Samples for organoleptic examination only may not exceed one-half pint. Samples for laboratory analysis may not exceed one pint. Such samples may be withdrawn upon approval by the storekeeper-gauger in charge at the warehouse of a written application filed in accordance with the provisions of §§ 185.536 to 185.538. In any instance where a one-pint sample is found to be an insufficient quantity for laboratory analysis, the district supervisor, upon receipt of a statement showing the necessity for an additional quantity, may authorize the withdrawal of an additional sample, not to exceed one pint, from any designated sample package or storage tank. The withdrawal in excess of these limitations of tax-free samples of brandy or fruit spirits shall not be permitted, unless it is shown that such samples are insufficient for the purpose intended, and the Commissioner authorizes the withdrawal of additional samples.

(Sec. 3037, I. R. C.)

§ 185.532 *Disposition of samples.* Tax-free samples must be used solely for laboratory analysis. Such samples may not be furnished to salesmen and dealers for advertising or soliciting purposes. Remnants or residues of tax-free samples taken from the warehouse, remaining after analysis and which are not desired to be retained as laboratory specimens or for further analysis, should be returned to vessels in the distilling sys-

tem containing similar spirits where the warehouse is on or contiguous to the distillery premises, unless the condition of the remnants or residues is such as to render them unsuitable for such disposition. If such remnants or residues of samples are not returned to the distilling system, they should be destroyed.

(Sec. 3037, I. R. C.)

TAXPAID SAMPLES OF BRANDY OR FRUIT SPIRITS FOR OTHER THAN LABORATORY ANALYSIS

§ 185.533 *Number, size, and use.* Samples of brandy or fruit spirits for other than laboratory analysis, subject to payment of tax thereon, must be taken from packages designated as sample packages. Such samples must be used strictly for sample purposes, and the number and size of the samples must be restricted to that necessary for bona fide sample purposes. The number of packages from which such samples are taken must be restricted to the minimum necessary to accomplish the desired purpose. As a rule, it should not be necessary to take samples from more than one or two packages of a given lot of brandy or fruit spirits of the same distillation, kind of cooperage, etc. When the warehouseman desires to procure samples from a given lot of brandy or fruit spirits in warehouse, he will limit the number of packages from which it is desired to take samples to the minimum necessary to procure representative samples of such spirits. Thereafter, if it is desired to procure additional samples from the same lot of spirits, the samples should be taken from the same packages.

(Sec. 3037, I. R. C.)

SAMPLES OF DISTILLED SPIRITS OTHER THAN BRANDY OR FRUIT SPIRITS

§ 185.534 *Limitation on number, size, and use of samples of distilled spirits other than brandy or fruit spirits.* Samples of distilled spirits other than brandy or fruit spirits may be taken only for organoleptic examination or analytical purposes from packages designated as sample packages and from storage tanks. Except upon authority of the district supervisor or the Commissioner, not more than one sample may be removed from any sample package or from the same lot of spirits in a storage tank in a period of 6 months. The number of packages that may be designated as sample packages shall be limited, as to each kind of spirits and each type of cooperage (as designated by the mandatory marks and brands on the packages), to not more than one in each 25 packages of any lot of spirits of the same day's production on storage in the warehouse: *Provided*, That where less than 25 packages of any such lot of spirits are on storage, one package in the lot may be designated as a sample package. Samples for organoleptic examination may not exceed one-half pint from any package or storage tank. Samples for laboratory analysis may not exceed one pint from any package or storage tank. Such samples may be withdrawn upon approval by the storekeeper-gauger in charge at the warehouse of a written application filed in accordance with the

provisions of §§ 185.536 to 185.538. In any instance where a one-pint sample is found to be an insufficient quantity for laboratory analysis, the district supervisor, upon receipt of a statement showing the necessity for an additional quantity, may authorize the withdrawal of an additional sample, not to exceed one pint, from any designated sample package or storage tank. The withdrawal of samples in excess of these limitations shall not be authorized unless it is shown that such samples are insufficient for the purpose intended, and the Commissioner authorizes the withdrawal of additional samples.

§ 185.535 *Disposition of samples.* Samples of distilled spirits other than brandy or fruit spirits must be used solely for chemical analysis or organoleptic examination. They may not be furnished to salesmen and dealers for advertising or soliciting purposes. Where spirits are sold subject to approval as to quality, a sample taken pursuant to the provisions of §§ 185.534 and 185.536 to 185.541 may be furnished the purchaser. Remnants or residues of samples remaining after analysis or examination and which are not desired for retention as laboratory specimens or for further analysis or examination, should be returned to vessels in the distilling system containing similar spirits where the warehouse is on or contiguous to the distillery premises, unless the condition of the remnants or residues is such as to render them unsuitable for such disposition. If such remnants or residues of samples are not returned to the distilling system, they should be destroyed.

GENERAL PROVISIONS

§ 185.536 *Application for samples for organoleptic examination or laboratory analysis, and tax-paid samples of brandy for other purposes.* When the warehouseman desires to procure samples for organoleptic examination, samples not in excess of one pint for laboratory analysis, or tax-paid samples of brandy or fruit spirits for other purposes, he shall make application in triplicate to the storekeeper-gauger in charge at the warehouse. The application shall be given a serial number, beginning with "1" for the first application and running consecutively thereafter. The application shall show (a) the kind of spirits, (b) the name of the distiller, (c) the registered number of the distillery and the State in which located, (d) the serial numbers of the packages or storage tanks from which the samples are to be removed, (e) the dates of entry for deposit, (f) the type of cooperage, (g) if the samples are to be removed from sample packages, the dates the packages were received in the warehouse, (h) whether, in the case of brandy or fruit spirits, the samples are desired for organoleptic examination or laboratory analysis tax free, or for other purposes subject to payment of tax, (i) whether, in the case of spirits other than brandy or fruit spirits, the samples are required for organoleptic examination or for laboratory analysis, (j) the reasons why the samples are desired, and (k) the size of each sample to be taken.

(Sec. 3037, I. R. C.)

§ 185.537 *Application for additional samples for laboratory analysis.* Where the warehouseman has found a pint sample to have been an insufficient quantity for analysis, and desires an additional one-pine sample, he shall make application in triplicate, through the storekeeper-gauger in charge at the warehouse, to the district supervisor. The application shall be given a serial number within the series prescribed in § 185.536 and show the information called for in paragraphs (a) through (k) of that section.

(Sec. 3037, I. R. C.)

§ 185.538 *Application for other samples.* Where the warehouseman desires samples in excess of the number or quantities which may be authorized by the storekeeper-gauger or the district supervisor, he shall make application, in quadruplicate, through the storekeeper-gauger in charge at the warehouse, to the Commissioner. The application shall be given a serial number within the series prescribed in § 185.536 and show the information called for in paragraphs (a) through (k) of that section.

(Sec. 3037, I. R. C.)

§ 185.539 *Approval of application by the storekeeper-gauger in charge at the warehouse.* Upon receipt of an application for the withdrawal of samples in quantities not to exceed one-half pint for organoleptic examination or in quantities not to exceed one pint for laboratory analysis, or for the withdrawal of tax-paid samples of brandy or fruit spirits from any package or storage tank, the storekeeper-gauger shall determine from his records whether, in the case of packages, the designated packages are eligible for sampling or, in the case of spirits in storage tanks, the lot of spirits contained in a tank is eligible for sampling. If he shall find the number and quantities of samples to be taken do not exceed the number and quantities permitted under §§ 185.531, 185.533, or 185.534, as the case may be, he may authorize the withdrawal of the samples. In the case of samples for laboratory analysis, the storekeeper-gauger should assure himself of the propriety of the request. If he finds upon examination of his records that the number or quantities desired are in excess of the number or quantities permitted, he shall write upon each copy of the application a statement disclosing the reasons why the samples may not be removed. The storekeeper-gauger, upon approval or disapproval of the application, shall return one copy to the warehouseman, forward one copy to the district supervisor, and retain the original copy in his office.

(Sec. 3037, I. R. C.)

§ 185.540 *Approval of application by the district supervisor.* Upon receipt of an application for an additional sample for laboratory analysis, the storekeeper-gauger shall determine from his records whether an additional sample may be authorized under the limitations of § 185.531 or 185.534, as the case may be. If he finds the additional sample may not be authorized under the limitations, he shall write upon each copy of the application, over his signature, a state-

ment showing the reasons why the sample may not be withdrawn. In such case, he shall return one copy to the proprietor, forward one copy to the district supervisor, and retain the original in his office. If he finds the additional sample may be authorized, he shall note such fact upon the application, over his signature, and shall forward the application to the district supervisor with his recommendation. The district supervisor shall determine from the facts presented whether the additional sample is necessary for the proposed type of laboratory analysis and shall thereupon approve or disapprove the application. He shall retain a copy in his office and return the original and one copy to the storekeeper-gauger at the warehouse, who shall file the original and return the copy to the applicant.

(Sec. 3037, I. R. C.)

§ 185.541 *Approval of application by the Commissioner.* Upon receipt of an application to the Commissioner for authorization to withdraw samples, the storekeeper-gauger shall note upon each copy of the application the number and quantities of samples which have been removed from each package and from each lot represented. The storekeeper-gauger shall thereupon forward all copies of the application to the district supervisor, who shall transmit all copies to the Commissioner with his recommendation. Upon approval or disapproval of the application, three copies shall be returned to the district supervisor, who shall retain a copy and return the original and one copy to the storekeeper-gauger at the warehouse. The storekeeper-gauger shall file the original and return the remaining copy to the applicant.

(Sec. 3037, I. R. C.)

§ 185.542 *Removal under supervision.* All samples must be taken under the immediate supervision of the storekeeper-gauger.

(Sec. 3037, I. R. C.)

§ 185.543 *Label.* At the time of the withdrawal of a sample the proprietor shall prepare a label and a copy thereof. The label and copy shall be prepared on paper having approximate dimensions of 3" x 5". The proprietor shall show on the label and on the copy, in the order listed and upon separate lines, the following information:

- (a) The word "Sample;"
- (b) The serial number of the approved application covering the withdrawal of the spirits;
- (c) The kind of spirits;
- (d) The serial number of the container from which removed;
- (e) The name of the distiller, followed by the registered number of the distillery and the name of the State in which located;
- (f) The purpose for which the sample is intended; and, if for laboratory analysis, the name and address of the laboratory or person making the analysis (unless the analysis is to be made by the warehouseman at the warehouse premises, or premises contiguous thereto);
- (g) The size of the sample and, in regard to fruit spirits and brandy, the

quantity in proof gallons extended to the 4th decimal place (the proof gallon content need not be shown on samples of other spirits);

(h) The name of the warehouseman, followed by the registered number of the warehouse and the name of the State in which located. Upon completion, the label and the copy shall be presented to the storekeeper-gauger, who shall verify the accuracy of the data thereon, date and sign both copies, and supervise the affixing of the label to the sample container. Where the sample is taken from a container of fruit spirits or brandy, the storekeeper-gauger shall write upon the copy of the label a statement showing whether the sample was procured tax-free or subject to payment of tax. The copy of the label shall be filed by the storekeeper-gauger in accordance with the provisions of § 185.544.

(Sec. 3037, I. R. C.)

§ 185.544 *Office record.* The proprietor shall furnish sufficient file cases for the filing and retention of sample records. The copies of the labels shall be kept by the storekeeper-gauger as a record of samples removed and shall be filed numerically by package or tank serial number under the name and number of the producing distiller. The record shall be maintained as an active file for each sample package and for each storage tank from which samples are withdrawn, during the period such packages or spirits contained in such storage tanks are on storage in the warehouse. At the time of preparing Form 1520 or Form 1619 covering the removal of a sample package, or upon the emptying of a storage tank from which samples had been taken, the copies of labels covering samples removed from such package or storage tank shall be removed from the active file to an inactive file for storage.

(Sec. 3037, I. R. C.)

§ 185.545 *Marking Form 1520 or 1619.* When the first sample is taken from any package the storekeeper-gauger will note the letters "S. P." indicating sample package, in red on the entry Form 1520 or the transfer Form 1619 opposite the serial number of the package.

(Sec. 3037, I. R. C.)

§ 185.546 *Marking package.* When the first sample is taken from any package the warehouseman will, under the supervision of the storekeeper-gauger, stencil upon the Government head of such package the letters "S. P."

(Sec. 3037, I. R. C.)

§ 185.547 *Report of taxable samples.* Each day taxable samples of brandy or fruit spirits are withdrawn the storekeeper-gauger shall enter on Form 1615, in quadruplicate, a record of the taxable samples removed. All information called for by the form shall be furnished. At the end of each month the storekeeper-gauger shall complete the report, retain one copy of the form and deliver the remaining three copies to the warehouseman, who shall forward the three copies to the collector with remittance for the tax due. The collector shall ex-

ecute his certificate of taxpayment on each copy of the form, retain one copy, and return the remaining two copies to the warehouseman, who will retain one copy and deliver the other copy to the storekeeper-gauger. The storekeeper-gauger shall note the taxpayment on his retained copy and forward the other copy to the district supervisor.

(Sec. 3037, I. R. C.)

SAMPLES FOR INTERNAL REVENUE BUREAU

§ 185.548 *Record.* Where samples of distilled spirits are taken periodically from packages in internal revenue bonded warehouses for research purposes by the Bureau of Internal Revenue, the storekeeper-gauger will enter the date and quantity withdrawn on the Form 1520 or Form 1619 covering the deposit of such packages in the warehouse, and when the packages are withdrawn credit will be allowed for the total quantity (fractions of less than one-tenth gallon being disregarded) of all samples taken from any package for such purposes, by deducting such quantity from the original contents of the package. A notation of such quantity will be made on the report of withdrawal gauge on Form 1520.

SUBPART Z—TAX ON DISTILLED SPIRITS

§ 185.555 *Rate of tax.* The law imposes a tax on distilled spirits produced in, or imported into, the United States, at the rate prescribed therein, on each proof gallon, or wine gallon when below 100 degrees of proof, and a proportionate tax at a like rate on all fractional parts of such proof or wine gallon, to be paid when withdrawn from bond.

(Sec. 2800, I. R. C.)

§ 185.556 *Attachment of tax.* Under the law the tax attaches to distilled spirits as soon as such substance comes into existence as such, whether it be subsequently separated as pure or impure spirits, or be immediately, or at any subsequent time, transferred into any other substance, either in the process of original production or by any subsequent process.

(Sec. 2800, I. R. C.)

SUBPART AA—WITHDRAWAL OF DISTILLED SPIRITS FROM WAREHOUSE

§ 185.560 *Kinds of withdrawal.* Distilled spirits deposited in an internal revenue bonded warehouse may, as hereinafter provided, be withdrawn: (a) Upon taxpayment; (b) for exportation; (c) for use as supplies on vessels and aircraft; (d) for transfer in bond to another internal revenue bonded warehouse; (e) for transfer in bond to a customs manufacturing bonded warehouse; (f) for transfer to a distillery for redistillation upon a showing of the need therefor; (g) for use of the United States; (h) for denaturation (rum of not less than 150 degrees of proof only); or (i) for use in the fortification of wines (brandy or fruit spirits only). Distilled spirits produced at 160 degrees or more of proof under section 2883, I. R. C., may be withdrawn, upon tax payment, for beverage purposes only.

(Secs. 2875, 2882, 2883, 2885, 2891, 2903, 3031, 3033, 3070, 3331, I. R. C.)

§ 185.561 *Kinds of containers.* Distilled spirits may be withdrawn from internal revenue bonded warehouses (a) in the distiller's original packages; (b) in packages to which the contents of original distiller's packages were transferred; (c) in cases where bottled in bond; (d) in packages having a capacity of not less than 10 gallons each, filled from warehouse tanks; (e) in tank cars filled prior to deposit in the warehouse or filled from the warehouse storage tanks; (f) by pipeline from storage or gauging tanks (1) to a distillery denaturing bonded warehouse located on the same distillery premises (rum of not less than 150 degrees of proof only) or (2) to the fortifying room of a contiguous winery (brandy of 160 degrees of proof or more and fruit spirits only); (3) from gauging tanks located in the gauging room of the warehouse to qualified establishments on the same or contiguous premises. Distilled spirits may be withdrawn in tank cars only if the premises of the consignor and consignee are equipped with suitable railroad siding facilities. Where spirits are to be warehoused in tank cars the siding facilities must extend into the receiving warehouse.

(Secs. 2800, 2825, 2878, 2882, 2883, 2886, 2903, 3031, 3033, 3070, I. R. C.)

§ 185.562 *Preparation of withdrawal reports by proprietor.* When distilled spirits are to be withdrawn from an internal revenue bonded warehouse for any of the purposes listed in § 185.560 the warehouseman shall prepare the required withdrawal report on Form 1520, 1619, or 1620, as the case may be, in accordance with the instructions in this part, except as provided in § 185.563. The storekeeper-gauger shall verify such forms in accordance with the instructions in this part.

(Secs. 2808, 2884, I. R. C.)

§ 185.563 *Preparation of withdrawal reports by storekeeper-gauger.* When spirits are to be withdrawn from a storage tank in an internal revenue bonded warehouse in packages filled therefrom at the time of withdrawal, by pipeline or in tank cars, the storekeeper-gauger will prepare and complete the Form 1520 in accordance with the instructions in this part.

(Secs. 2808, 2884, I. R. C.)

§ 185.564 *Withdrawal on original gauge.* Distilled spirits may be withdrawn from an internal revenue bonded warehouse on the original gauge where the same have remained in such warehouse for a period not exceeding 30 days from the date of original gauge.

(Sec. 2881, I. R. C.)

MARKING, BRANDING AND STAMPING PACKAGES

§ 185.565 *Warehouseman to mark and brand packages.* The prescribed marks and brands peculiar to individual packages, whether the same are required to be cut, burned, imprinted, or stenciled, shall be placed upon the package by the warehouseman, under the supervision of the storekeeper-gauger.

(Secs. 2808, 2884, I. R. C.)

§ 185.566 *Rebranding spirits—grain, spirits—cane, spirits—fruit.* Spirits—grain, spirits—cane, spirits—fruit, etc., which were produced at 190 degrees of proof or more and which were entered into a warehouse prior to September 1, 1950, shall, prior to withdrawal for tax payment, be rebranded by the warehouseman "Neutral spirits—grain," "Neutral spirits—cane," etc.

(Sec. 2333, I. R. C.)

§ 185.567 *Quick-aging.* Where whisky is quick-aged, by any process, in packages at any time prior to tax payment, the letters "Q. A." will be burned, cut or stenciled upon the head of the package when such quick-aging is completed.

(Secs. 2878, 2883, I. R. C.)

§ 185.568 *Mechanical labor.* All mechanical labor pertaining to the gauging of distilled spirits at an internal revenue bonded warehouse shall be performed by the warehouseman.

(Secs. 2808, 2884, I. R. C.)

§ 185.569 *Use of scales.* The officer will carefully examine the scale to ascertain that the same is in good condition. He shall balance the scales before weighing either empty or filled packages, and will frequently test, by means of test weights provided in accordance with § 185.113, the accuracy of such scales. Where a weighing beam is used the officer will see that during the process of weighing the beam is horizontal, is properly adjusted, and that it balances perfectly with the barrel hooks and counterpoise attached. In case a scale becomes inaccurate for any reason, the storekeeper-gauger will not permit it to be used while it is in such condition.

(Secs. 2808, 2884, I. R. C.)

§ 185.570 *Weighing packages.* During the process of weighing, the storekeeper-gauger shall personally verify the weight of each package and enter the same in the proper column of the applicable gauge report. Care will be taken at all times to note the correct reading of the scale to the half pound and in case of doubt as to which graduation shall be read, the package will be allowed to preponderate; that is, the graduation denoting the lesser weight will be read.

(Sec. 2808, I. R. C.)

§ 185.571 *Proofing of spirits.* The storekeeper-gauger shall personally take the proof of all spirits gauged, and enter the same on the applicable gauge report. The storekeeper-gauger will follow strictly the instructions set forth in the Gauging Manual (26 CFR, Part 186) respecting the proofing of spirits, in order that the proof may be accurately determined. Hydrometers for determining the proof of distilled spirits are supplied by the Government for use of storekeeper-gaugers. The use of other than official hydrometers by storekeeper-gaugers is prohibited.

(Secs. 2808, 2884, I. R. C.)

§ 185.572 *Verification of marks and brands.* The storekeeper-gauger shall verify the marks and brands required to be placed on packages at the time of

withdrawal, by comparison with the gauge sheet, and shall satisfy himself as to the accuracy and correctness of the marks and brands, and stamps (if any).

(Secs. 2808, 2884, I. R. C.)

§ 185.573 *Affixing and canceling stamps.* When packages of spirits, including blended brandy, are removed taxpaid or for exportation, the taxpaid, export, or wholesale liquor dealer's stamp, and, in the case of taxpaid blended brandy, the Class B rectified spirits stamps required by section 2801 (e) (5), I. R. C., will be affixed and canceled by the warehouseman, under the supervision of the storekeeper-gauger, in the manner prescribed by § 185.608, prior to removal of any such packages from the warehouse. Certificates of taxpayment covering spirits gauged in bulk in a gauging tank for removal in approved containers including pipelines will be canceled and disposed of in the manner prescribed by §§ 185.625 and 185.626.

(Secs. 2800, 2801, 2884, 2885, I. R. C.)

§ 185.574 *Stamps, marks, and brands not to be obscured.* The stamps, marks, and brands required by law and the provisions of this part to be placed upon casks and packages of distilled spirits are designed to evidence the legal status of the spirits contained therein, and they must not be obscured in any manner or covered by encasing the package bearing the same in another, but must at all times be in such condition as to admit of ready examination by revenue officers.

(Sec. 2884, I. R. C.)

DRAWING-OFF SPIRITS FROM GAUGING OR STORAGE TANKS

§ 185.575 *Supervision.* The storekeeper-gauger is required to be present and personally supervise the drawing-off of all spirits from warehouse tanks either into approved containers, including tank cars, or for removal by pipeline. The spirits will be carefully gauged by the storekeeper-gauger and the details entered on report of gauge as hereinafter provided. The outlet of the storage or gauging tank will be immediately closed by the proprietor and locked by the storekeeper-gauger when the desired quantity of spirits has been drawn therefrom. It will be the duty of the storekeeper-gauger to determine that all operations involved in the drawing-off of spirits from gauging or storage tanks, including the dumping of packages into the gauging tank for bulk gauging are properly performed.

(Secs. 2800, 2878, 2883, 4017, I. R. C.)

§ 185.576 *Adjusting proof.* The proof of distilled spirits in warehouse storage tanks shall be adjusted to a whole degree of proof prior to filling containers such as tank cars, barrels, or drums. Adjusting the proof to tenths of a degree either above or below the whole degree will not be permitted.

(Sec. 2808, I. R. C.)

§ 185.577 *Use of tank scales.* When spirits are to be gauged in a gauging tank, either for deposit in or removal from the warehouse, the storekeeper-gauger will balance the scales on which

the gauging tank is mounted before the spirits are run into such tank for gauging. The storekeeper-gauger will not permit the use of any scales not tested as required by § 185.114 or which upon testing are found to be inaccurate.

(Secs. 2808, 2833, I. R. C.)

§ 185.578 *Gauging tanks.* When spirits are to be removed by pipeline they will be run into a properly equipped gauging tank, except that where no gauging tank is provided in the internal revenue bonded warehouse, (a) fortifying spirits of 160 degrees of proof or more may be transferred by pipeline from storage tanks direct to a gauging tank in the fortifying room of a contiguous winery; (b) rum of 150 degrees of proof or more may be transferred by pipeline from storage tanks direct to a gauging tank in a denaturing bonded warehouse on the same premises; or (c) spirits of 160 degrees of proof or more for redistillation may be transferred by pipeline from storage tanks direct to a gauging tank in a distillery on the same or contiguous premises.

(Secs. 2800, 2833, 4017, I. R. C.)

§ 185.579 *Pipeline removals.* Pipelines used for the transfer of spirits from gauging tanks or warehouse storage tanks to qualified establishments on the same or contiguous premises, or to tank cars for shipment, must conform to the requirements of § 185.123, except that the spirits may be transferred into or from a tank car by means of a hose connection where the same is in full view of the Government officer throughout its entire length. The valves on such pipelines shall be kept closed and locked at all times, except when necessary to be open for the transfer of spirits. The keys to all locks on the valves of such pipelines shall remain at all times in the custody of the storekeeper-gauger. Spirits may be transferred by pipeline only under immediate supervision of the storekeeper-gauger.

(Secs. 2800, 2883, I. R. C.)

TIME OF REMOVAL OF SPIRITS

§ 185.580 *Immediate removal upon tax payment.* When distilled spirits have been gauged or regauged for tax payment, the same must be promptly tax paid and removed from the warehouse. Likewise, where spirits are gauged or regauged for withdrawal for other purposes, they must be promptly removed from the warehouse upon approval of the withdrawal papers.

§ 185.581 *Restrictions on removal at night.* No person shall remove any distilled spirits from any internal revenue bonded warehouse at any other time than after sunrise and before sunset in any cask or package containing more than 10 gallons.

(Sec. 2870, I. R. C.)

ADDITION OF BURNT SUGAR OR CARAMEL, OR OAK CHIPS, TO PACKAGES

§ 185.582 *Addition of oak chips.* Where distilled spirits are found to be unmerchantable owing to a deficiency in color, oak chips which have not been treated with any chemical may, under

the conditions and limitations prescribed in the regulations governing the production of distilled spirits, be added to the packages after the spirits have been regauged for taxpayment and prior to the purchase and the affixing of the tax-paid stamps. Such packages shall, in addition to all other marks and brands required by this part, be branded with the words "Treated with oak chips."

§ 185.583 *Addition of burnt sugar or caramel.* Where brandy is found to be unmerchantable owing to a deficiency in color, a small quantity of burnt sugar or caramel may, under the conditions and limitations prescribed in the regulations governing the production of brandy, be added to the packages after the brandy has been regauged for tax payment and prior to the purchase and affixing of the taxpaid stamps. Burnt sugar or caramel may not be so added to any other spirits than brandy. Such packages, in addition to all other marks and brands required by this part, shall be branded with the letters "B. S. A."

(Secs. 2808, 3036, I. R. C.)

DESTRUCTION OF STAMPS, MARKS AND BRANDS

§ 185.584 *Upon emptying container.* When approved containers of distilled spirits, including tank cars are emptied, all stamps, marks and brands required to be placed thereon must be completely effaced and obliterated, except the portions of stamps and certificates of tax payment required to be submitted to the district supervisor. Labels affixed to railroad tank cars of spirits shipped in bond must be destroyed when such cars are emptied. Certificates of tax payment affixed to railroad tank cars of taxpaid spirits, must, when the tank cars are emptied, be scalped and the scalped portion of the certificate forwarded by the consignee to the district supervisor, as provided in this part. The remainder of such certificates will be destroyed. Certificates of tax payment covering transfers by pipelines to contiguous establishments will be forwarded to the district supervisor by the consignor storekeeper-gauger in accordance with provisions of § 185.626.

(Sec. 2866, I. R. C.)

RECORDS AND REPORTS

§ 185.585 *Proprietor's record and report, Form 52C.* The proprietor of every internal revenue bonded warehouse shall enter all spirits removed from the warehouse on Form 52C, "Monthly Record and Report of Internal Revenue Bonded Warehouse," as provided in Subpart WW of this part.

(Sec. 2859, I. R. C.)

§ 185.586 *Storekeeper-gauger's records.* The storekeeper-gauger at an internal revenue bonded warehouse shall enter the date of withdrawal of all packages or other containers, and cases, of spirits removed from the warehouse in the appropriate column of Form 1520, Form 1619, or Form 1620, as the case may be, covering the deposit of the spirits, as provided in Subpart UU of this part. The storekeeper-gauger shall also enter the withdrawal of all spirits from the warehouse in his monthly record and return,

Form 1513, and in his summary of deposits and withdrawals, Form 1621, as provided in §§ 185.1021 to 185.1026. The storekeeper-gauger shall also enter on the Form 1513 and Form 1621 the details of the withdrawal of brandy for blending and the return of the blended brandy to the warehouse.

(Secs. 2801, 2915, I. R. C.)

§ 185.587 *Filing of withdrawal papers.* All copies of the withdrawal papers, Forms 179, 206, 236, 257, 543, 573, 1515, 1519, 1520, 1619, and 1620, retained by the storekeeper-gauger upon the withdrawal of distilled spirits from the warehouse and the copy of Form 1685 retained by him upon completion of brandy-blending operations shall be filed by him in the manner prescribed in §§ 185.1021 to 185.1026.

(Sec. 2801, I. R. C.)

SUBPART BB—TAXPAID WITHDRAWALS IN PACKAGES

§ 185.600 *Application, Form 179.* Application for taxpayment and withdrawal of distilled spirits in packages from a bonded warehouse shall be made by the proprietor on Form 179, in quadruplicate. Unless the packages are to be withdrawn on the original gauge, the proprietor will indicate on the form the method of gauge desired, i. e., whether the contents of each package will be determined, or whether all packages of the lot will be dumped in a gauging tank for bulk gauge and subsequent removal by pipeline or in packages under the provisions of §§ 185.620 to 185.636. If the proprietor elects an individual gauge of each package, he shall also indicate on the Form 179 whether he desires the packages to be rinsed before the spirits are gauged or whether he desires to taxpay without rinsing. If the packages are not rinsed before gauging, recovery of spirits by rinsing of the packages at the time of dumping for bottling or rectification will be precluded. The proprietor's elections as to method of gauge and whether the packages will be rinsed may not be changed once gauging of the spirits has begun. Where the spirits are to be drawn into packages from a storage tank, the proprietor shall state, in addition to other applicable data on the form, the maximum quantity to be withdrawn. Separate applications shall be filed for the withdrawal of spirits from storage tanks. Likewise a separate application shall be filed for each lot of spirits in packages dumped for bulk gauge in a gauging tank in accordance with § 185.620. All copies of the application will be delivered to the storekeeper-gauger at the warehouse.

(Secs. 2800, 2882, 3170, I. R. C.)

§ 185.601 *Preparation of Form 1520.* Except where spirits are to be withdrawn in packages filled from warehouse storage tanks at the time of withdrawal, the proprietor will prepare Form 1520, in quadruplicate, covering the packages shown in the application, Form 179. The proprietor will enter in the heading of the Form 1520 all the information called for and will show as to each package the necessary details of the entry gauge in the columns headed "Serial Nos. of Pack-

ages or Tank Cars," "Kind of Spirits," "Original Tax Gallons," "Original Gross Weight" and "Date of Original Entry for Deposit." Where the spirits are to be withdrawn on the original gauge, or filling gauge in case of packages previously filled from warehouse storage tanks, the proprietor will copy the necessary details of such gauge on the Form 1520. In the event a regauge is made upon withdrawal of packages which have remained in the warehouse for a period not exceeding 30 days from the date of the original gauge the proprietor will note on Form 1520 the reason for requesting a regauge. All copies of the Form 1520 will be delivered to the storekeeper-gauger with the Form 179.

(Secs. 2882, 3170, I. R. C.)

§ 185.602 *Gauge and taxpayment in packages.* Upon receipt of the Forms 179 and 1520 from the proprietor indicating that each package is to be gauged, the storekeeper-gauger will verify the entries in the heading and the details of the entry gauge on the Form 1520. If the spirits to be withdrawn are in distiller's original packages, the storekeeper-gauger will gauge the spirits, unless they are to be withdrawn on the original gauge. The storekeeper-gauger will enter on Form 1520 the gross weight, tare, and proof of each package; *Provided*, That if the proprietor has elected to rinse the packages the gross weight, tare, and proof will be determined after the packages have been rinsed and the rinse water thoroughly mixed with the spirits. As each package is dumped the loose char shall be collected and shall be returned to the package before rinsing. The temperature of the water used to rinse packages shall not exceed 110 degrees Fahrenheit and the packages may not be filled, or partially filled, and permitted to stand for the purpose of extracting spirits. Where the addition of any or all of the rinse water would reduce the spirits below the desired proof such rinse water may be poured on the ground or into a sewer in the presence of the storekeeper-gauger. The storekeeper-gauger will in all cases note on the Form 1520 "Rinsed" or "Not Rinsed," as the case may be. He will return the Form 1520 to the proprietor for entry of the remainder of the information required by the form prior to taxpayment. After completion of the form by the proprietor, it will be submitted to the storekeeper-gauger for verification and his signature. The storekeeper-gauger will execute his report on all copies of Form 179 and deliver them with three copies of Form 1520 to the proprietor who will forward all copies of both forms to the collector of internal revenue with proper remittance for the tax. If the spirits to be tax paid are in storage tanks and it is intended to taxpay the packages immediately upon the filling gauge, the spirits will, upon receipt of Form 179, be drawn into the designated packages and gauged, marked, and branded in accordance with § 185.399 and serially numbered in accordance with § 185.401. The storekeeper-gauger will prepare Form 1520, in quadruplicate, and enter thereon the details of the gauge and proof of distillation. Three copies of Form 1520, ac-

accompanied by all copies of Form 179 with the storekeeper-gauger's report thereon duly executed will be delivered by the storekeeper-gauger to the proprietor of the warehouse, who will enter the details of the gauge in the space provided therefor on Form 179 and then forward all copies of both forms to the collector of internal revenue with proper remittance for the tax.

(Secs. 2881, 2882, 2883, 2884, 3656, I. R. C.)

§ 185.603 *Gauge and taxpayment of blended brandy.* If the spirits to be withdrawn are brandies blended in accordance with the provisions of section 2801 (e) (5), I. R. C., the storekeeper-gauger shall compute the additional tax at 30 cents per proof gallon on the quantity of spirits in each package at the time of regauge for withdrawal and shall enter in the appropriate column on Form 179 the total amount of tax due under section 2801 (e) (5), I. R. C., in addition to the amount of tax due on the brandy under section 2800 (a) (1), I. R. C.

(Secs. 2801, 2882, 2884, I. R. C.)

§ 185.604 *Determining actual tare.* The actual tare of a package to be withdrawn will be determined by weighing the package after the contents thereof have been temporarily removed to a separate vessel apart from all other spirits and, in the event the proprietor has elected to rinse the package, after the rinse water has been drained from the package. The storekeeper-gauger will personally supervise all operations incident to the determination of actual tare, examine each package to see that it is thoroughly drained (of spirits or rinse water) before determining its weight, and see that the spirits are returned to the proper package. The proprietor will furnish all labor necessary for the determination of actual tare.

(Secs. 2862, 2878, I. R. C.)

§ 185.605 *Issuance of taxpaid stamps.* The collector will issue the taxpaid stamps. Each taxpaid stamp shall bear the signature of the collector, who shall write or stamp thereon the date of payment of the tax, name of the proprietor (warehouseman), the number of gallons and tenths of gallons of proof spirits, and the serial number of the cask. Facsimile signatures of collectors may be affixed by the use of hand stamps to the taxpaid stamps, care being taken to use only such ink as will neither fade nor blur. The collector will enter the serial numbers of the stamps in the appropriate spaces on all copies of Form 1520, sign the certificate of taxpayment on all copies of Form 179, retain one copy each of Form 179 and Form 1520, and return the remaining three copies of Form 179 and two copies of Form 1520 to the warehouseman with the stamps.

(Sec. 2800, I. R. C.)

§ 185.606 *Issuance of rectified spirits stamps.* Where the Form 179 covers blended brandies taxpaid at 30 cents per proof gallon in addition to the tax of \$9.00 per proof gallon the collector shall issue a class B rectified spirits stamp, with proper coupons attached, for each

package and shall enter the serial number of the stamps in the proper column of Form 1520 and at the proper line on Form 179.

(Sec. 2801, I. R. C.)

§ 185.607 *Removal of spirits.* The warehouseman shall deliver all copies of Form 179 and Form 1520, with the taxpaid stamps, to the storekeeper-gauger who will verify the data thereon with his retained copy of Form 1520 and, if no discrepancies are found, he will note the serial numbers of the stamps on the retained copy of Form 1520, and, after affixing his signature or a facsimile thereof, to the stamps, will return them to the warehouseman. The warehouseman will stamp, mark and brand the packages, as provided in §§ 185.608 and 185.609, after which he will remove the spirits immediately. When the spirits have been removed, the storekeeper-gauger will execute his statement of the date of withdrawal on the three copies of Form 179, retain one copy of each Form 179 and Form 1520, deliver one copy of each to the warehouseman, and forward one copy of each to the district supervisor.

(Secs. 2806, 2884, 3170, I. R. C.)

§ 185.608 *Affixing and cancelling stamps.* When packages of distilled spirits are withdrawn from an internal revenue bonded warehouse upon payment of tax (or for exportation) the tax-paid (or export) stamps will be affixed and canceled by the proprietor under the supervision of the storekeeper-gauger before the packages are removed from the warehouse. The stamps must be securely affixed to the Government head of the package with a good adhesive to effectively prevent removal without mutilation. The stamp must be canceled immediately after it has been affixed to the package by imprinting five parallel wavy lines across the stamp with a stencil, which will be provided by the proprietor. The stamp will be covered with a protective coating of shellac, lacquer varnish, or glue which is sufficiently transparent to permit legibility of the markings on the stamp, except where the packages are to be transferred to contiguous premises and the coating is not required for protecting the legibility of the stamp. Such stamps must remain upon the packages until the spirits therein are emptied or drawn off.

(Sec. 3301, I. R. C.)

§ 185.609 *Marking and branding packages of distilled spirits; withdrawal.* Packages of spirits gauged for tax payment must be tax paid and removed from the warehouse promptly. If the spirits are to be removed in packages the stamp must be affixed to the Government head of the packages on the left side and, except as hereinafter provided, on the right side opposite the tax-paid stamps there will be plainly marked the serial number of the tax-paid stamp, the date of tax payment, the proof-gallon content, and the proof and tare determined at time of withdrawal, except when withdrawn on the original gauge, abbreviated as follows: T. P. S.; S/N -----; T. P. -----; P. G. -----; P. -----; T. ----- In

addition there will be stenciled on the Government head of each package the words "Rinsed" or "Not Rinsed," as the case may be. The withdrawal markings, except those showing whether the package was rinsed, may be waived by the district supervisor when packages of spirits are to be removed to a tax paid bottling house or rectifying plant in the immediate vicinity of the warehouse for immediate bottling or dumping for rectification, and where such establishments are owned by the proprietor of such warehouse or subsidiary.

(Secs. 2878, 2883, 2884, I. R. C.)

§ 185.610 *Marks and brands illustrated.* The following cut illustrates the order and manner in which the marks shall be applied to the head of each package upon filling and upon tax payment. When spirits are transferred to customs manufacturing bonded warehouse, withdrawn for export, for the use of United States, for the fortification of wine or other purposes, the required withdrawal information will be shown in lieu of the taxpayment data shown in the cut:

THE JOHN BARLEY CORN DISTILLING CO
No. 22, Meadville, Pa.
C
D 160P
Rye Whisky
Serial No. 100
Filled Feb. 14, 1946

OPG-----	
OP-----	Tax Paid
OT-----	February 28, 1950
[TAX	P-----
PAID	T-----
STAMP]	P. G-----

Tax Paid Stamp No. 1000

(Secs. 2878, 2883, 2884, I. R. C.)

§ 185.611 *Proprietor to furnish required labor and material.* Proprietors of internal revenue bonded warehouses are required to furnish all the help needed to handle the cask or package; to furnish the glue, shellac, or other adhesive, tacks, stenciling material, brushes, stencils, branding or cutting equipment, vessels, and every necessary facility for the preparation of the cask or package to be put upon the market, except the instruments for proofing the spirits. The storekeeper-gauger is authorized to require such materials to be furnished and he will see that the cask or package is in every way complete for marketing when it leaves the warehouse.

(Secs. 2878, 2884, I. R. C.)

SUBPART CC—TAXPAID WITHDRAWALS BY GAUGE TANK

§ 185.620 *Application, Form 179.* Application for tax payment of distilled spirits to be dumped from packages or removed from storage tanks or tank cars into a gauging tank for subsequent withdrawal by pipe line to contiguous establishments or in approved containers, shall be made by the proprietor of the warehouse on Form 179, in quadruplicate. Where the spirits to be withdrawn are in packages, the serial numbers and original tax gallons will be stated on Form 179, which will be accompanied by Form 1520, in quintuplicate, prepared by the proprietor in the manner provided in § 185.601. If the spirits are to be re-

packaged after tax payment and prior to removal from the warehouse, the proprietor will so indicate on the application. Where the spirits are to be drawn from a warehouse storage tank, the proprietor shall state, in addition to other applicable data, the maximum quantity to be withdrawn. All copies of the application will be delivered to the storekeeper-gauger at the warehouse. Application on Form 179 should cover only homogeneous spirits such as may be mingled in a gauging tank as provided in § 185.621. Spirits may be so withdrawn only where pipelines, or facilities for drawing off spirits from gauging tanks into packages, have been provided and approved.

(Secs. 2800, 2882, 2883, 3170, I. R. C.)

§ 185.621 *Mingling in gauging tank of spirits for tax payment.* Subject to the limitations of this section, spirits produced at the same distillery by the same distiller, which are of the same kind according to the standards of identity established under the Federal Alcohol Administration Act (27 U. S. C. 205 (e) (f)), and which differ only in proof and are homogeneous may be mingled in a warehouse gauging tank for tax payment. Spirits differing in age (a) not more than 6 months in the case of spirits more than 2 years of age, (b) not more than 60 days in the case of spirits more than 1 year and not more than 2 years of age, or (c) not more than 30 days in the case of spirits 1 year of age or less, packaged in the same kind of cooperage and stored under the same conditions, will be presumed to be homogeneous, and may be mingled in a warehouse gauging tank for convenience in tax payment. Where it is desired to mingle for convenience in tax payment spirits falling within more than one of the age categories specified, the difference in age allowable shall be determined according to the age of the younger spirits. For example, if spirits not more than 1 year of age are mingled with spirits more than 1 year old, the spirits must not vary in age more than 30 days. Spirits distilled from the same materials at 190 degrees of proof or more will also be presumed to be homogeneous and may be dumped together for convenience in tax payment. Spirits which have been subjected to a quick-aging process may not be mingled with spirits which have not been quick-aged, nor may spirits which have been stored in different kinds of cooperage or under different conditions and are of different composition or character be mingled together for tax payment.

(Secs. 2800, 2883, 3254, I. R. C.)

§ 185.622 *Gauge and taxpayment.* If the spirits to be withdrawn are in packages, the storekeeper-gauger, upon receipt of the Form 179 and Form 1520, will carefully examine and supervise the weighing of each package and enter the weights on Form 1520. Where it is determined that any package bears evidence of tampering or unusual loss that cannot be satisfactorily explained, such package will be detained pending further investigation in accordance with the applicable provisions of §§ 185.480 to 185.496. When the contents of the pack-

ages have been dumped in the gauging tank, the empty packages, including the char therefrom, will be thoroughly rinsed. The temperature of the water used to rinse packages shall not exceed 110 degrees Fahrenheit and the packages may not be filled, or partially filled, and permitted to stand for the purpose of extracting spirits. The rinsings will be added to the spirits dumped from the packages into the gauge tank prior to gauging: *Provided*, That where the addition of any or all of the rinse water would reduce the spirits below the desired proof, such rinse water may be poured on the ground or into a sewer: *Provided further*, That where the contents of the packages dumped for bulk gauging are to be drawn from the gauging tank for shipment in as many of the original packages as may be required, the packages need not be rinsed if a declaration to that effect has been made by the proprietor prior to the dumping of the spirits, in which event recovery of spirits by rinsing at the time of dumping for bottling or rectification will be precluded. After the packages have been dumped and rinsed all marks and brands shall be obliterated, except where the packages are to be used for the shipping of spirits dumped therefrom for gauging, in which case only the kind of cooperage, serial number of the package, the word "Filled" and the date of filling need be obliterated. The spirits in the gauging tank will be adjusted to a whole degree of proof, gauged with a precision stem, and the details of the gauge entered by the storekeeper-gauger on the "Totals" line of Form 1520. The storekeeper-gauger will also enter on the Form 1520 in a space adjacent to the details of his gauge the words "Gauge Tank" and the number thereof. If the spirits to be withdrawn are contained in a storage tank or tank car, they will be drawn into the gauging tank, gauged and reported in the same manner as packages dumped for bulk gauging. Four copies of Form 179 with the storekeeper-gauger's report thereon, duly executed, and four copies of Form 1520 will be delivered by the storekeeper-gauger to the proprietor of the warehouse. One copy of Form 1520 will be retained by the storekeeper-gauger pending tax payment of the spirits represented thereby.

(Secs. 2800, 2882, 2883, I. R. C.)

§ 185.623 *Application for certificate of tax payment, Form 1594.* The proprietor will prepare Form 1594, in duplicate, properly modified to show tax payment of the spirits gauged in bulk, the method of removal from the gauging tank, i. e., by pipeline, tank car or in packages, and will forward all copies of the Forms 179, 1520 and 1594, accompanied by proper remittance for the tax, to the collector of internal revenue.

(Secs. 2800, 2882, 3656, I. R. C.)

§ 185.624 *Certificate of tax payment, Form 1595.* The collector will issue Form 1595, "Collector's Certificate of Tax Payment of Distilled Spirits for Shipment in Tank Cars," appropriately modified to cover the spirits gauged in bulk, and will execute his certificate of tax payment on all copies of Form 179, enter

the serial number of the Form 1595 on all copies of Form 1520, and shall fill in the required data in the blank spaces on the Form 1595, except those provided in the lower left corner for the certification of the storekeeper-gauger, and will date and sign the certificate in the same manner as provided in § 185.605 for tax-paid stamps. The collector will enter on both copies of Form 1594, in the space provided, the serial number, date and amount of the certificate issued. The collector will retain one copy each of Forms 179 and 1520 and the original copy of Form 1594. He will mail or deliver the certificate, Form 1595, and the original and remaining copies of Forms 179 and 1520 to the proprietor or his designated agent in accordance with his request in Form 1594. The collector will send one copy of the application, Form 1594, to the district supervisor.

(Sec. 2800, I. R. C.)

§ 185.625 *Storekeeper-gauger's certification.* The proprietor shall deliver the certificate of tax payment, Form 1595, and all copies of Forms 179 and 1520 to the storekeeper-gauger at the internal revenue bonded warehouse. The storekeeper-gauger will transcribe the data from the collector's certificate on Form 179 and the serial number of the certificate, Form 1595, from the Form 1520, to his retained copy of Form 1520 and shall verify the contents of the gauging tank, and sign the certificate, Form 1595, in the space provided therefor. The certificate must be attached to a board on the gauging tank by means of a tack in each corner, after which it will be canceled in the same manner as a tax-paid stamp attached to a package. The certificate, Form 1595, shall remain attached to the gauging tank until the spirits covered by the certificate have been removed.

(Sec. 2800, I. R. C.)

§ 185.626 *Release of spirits from gauging tank.* When the certificate of tax payment has been affixed to the gauging tank and canceled, the storekeeper-gauger will unlock the outlet valve to permit transfer of the spirits by pipeline or withdrawal from the gauging tank into packages. The removal of spirits from the gauging tank must be under the immediate supervision of the storekeeper-gauger. If the spirits are transferred by pipeline, the storekeeper-gauger will forward one copy each of Forms 179 and 1520 and the canceled Form 1595 to the district supervisor, retain one copy each of Forms 179 and 1520 and deliver one copy of Form 179 and two copies of Form 1520 to the warehouseman, who will immediately deliver one copy of Form 1520 to the vendee. If the spirits are to be drawn into packages from the gauging tank for transfer to bottling premises, the procedure prescribed in §§ 185.627 to 185.636 will be followed and when all spirits have been drawn into packages, the storekeeper-gauger will dispose of Forms 179, 1520, and 1595 in the manner provided in this section for removals by pipeline.

(Sec. 2800, I. R. C.)

§ 185.627 *Procurement of wholesale liquor dealer stamps.* Where the proprietor desires to transfer taxpaid spirits from a gauging tank into packages for removal to rectifying or bottling premises, application on Form 92, in triplicate, will be made to the storekeeper-gauger in charge of the warehouse for permission to draw the spirits into wholesale liquor dealer packages. The application form will be properly modified for this purpose, viz, in Part 1, the serial number of the original containers from which the spirits were removed will be given in the space provided for the reason for repackaging; gauging tank and the serial number thereof will be shown under "Containers;" the certificate of taxpayment and the serial number thereof will be shown under "Stamps;" and Form 179 and the date thereof will be shown under "Dump Forms." It will not be necessary to enter the wine gallons. All copies of the Form 92 will be submitted to the storekeeper-gauger in charge of the warehouse, who, if he finds after inspection of the spirits and verification of the entries and statements in the application that the spirits are correctly described and have been properly taxpaid, will sign Parts 2 and 3 and return all copies of the form to the warehouseman.

(Sec. 2800, I. R. C.)

§ 185.628 *Refilling, gauging, and marking packages of taxpaid spirits drawn from a gauging tank.* Upon receipt from the storekeeper-gauger of Form 92, properly certified and approved, the warehouseman will fill and mark the packages under the supervision of a Government officer. Packages into which the spirits are drawn must be marked and branded in letters and figures not less than three-fourths inch in height to show the name of the distiller or person in whose name the spirits were produced, the registered number of the distillery, the city or town and State in which the distillery is located, the proof at which distilled, and the kind of spirits, all as shown on the original packages and as illustrated in § 185.610. In addition to the above, the packages will be marked and branded in letters and figures not less than one-half inch in height to show they are consolidated packages, the kind of cooperage into which the spirits were drawn, the serial number of the package (in accordance with § 185.401), the wine gallon content, the proof, proof gallon content, the tare determined at the time of filling, the warehouse number and State in which located, the kind of cooperage in which the spirits were stored, the number of months the youngest spirits in the lot were in storage and the date the spirits were taxpaid. The additional information required by this section may be abbreviated as illustrated in § 185.629. Where spirits are drawn from the gauging tank for shipment in packages from which dumped, the refilled packages will be stenciled "Rinsed" or "Not Rinsed," as the case may be. A similar notation will be made on Form 92. The storekeeper-gauger will enter the details of his gauge on each copy of the Form 92.

(Secs. 2800, 2808, I. R. C.)

§ 185.629 *Marks and brands illustrated.* The following cut illustrates the order and manner in which the additional marks and brands required by § 185.628 shall be applied to the head of each package of spirits filled from a gauging tank after bulk gauge and taxpayment in such tank:

R
Serial No. T-1001
Con.
C-42-Mo
T. P. 2-1-51
IRBW 22 Ky.

W. G. _____
P. _____
P. G. _____
T. _____

[W. L. D. STAMP]

(Secs. 2800, 2808, I. R. C.)

§ 185.630 *Application for stamps.* When the spirits have been packaged and the details of the gauge thereof entered on Form 92 the warehouseman will execute his application in Part 4 of the form for the issuance of wholesale liquor dealer stamps. The warehouseman will modify Part 4 by addressing it to the storekeeper-gauger in charge of the warehouse and will deliver all copies of the form to that officer.

(Secs. 2802, 2863, I. R. C.)

§ 185.631 *Issuance of stamps.* Upon receipt of Form 92 with the application in Part 4 duly executed, the storekeeper-gauger in charge will issue a wholesale liquor dealer's stamp, with proper coupons attached, for each package listed on the form. When issuing the stamps, the storekeeper-gauger in charge will enter on each stamp all the information called for except the "Original Proof." The words "Gauge Tank" and the serial number thereof will be entered in the space provided for the serial number of the package from which the wholesale liquor dealer packages were filled. The storekeeper-gauger in charge will enter his signature and title, or a facsimile thereof, in the space provided for the signature of the collector. Where an appreciable number of wholesale liquor dealer packages will be filled, the warehouseman must provide the storekeeper-gauger in charge with suitable rubber stamps for the insertion of information common to all wholesale liquor dealer stamps to be used by him. The total gallonage for which wholesale liquor dealer stamps are issued shall in no case exceed that covered by Form 1595.

(Secs. 2802, 2863, I. R. C.)

§ 185.632 *Stamp stub.* The storekeeper-gauger in charge shall enter on the stub connected with each stamp data similar to that entered on the stamp, to preserve a perfect record of the detached stamp.

(Secs. 2802, 2863, I. R. C.)

§ 185.633 *Wholesale liquor dealer stamp books.* Wholesale liquor dealer stamps in the required denominations will be furnished by collectors to district supervisors upon request. District supervisors will supply storekeeper-gaugers in charge of bonded warehouses where such stamps are used with sufficient quantities of such stamps as to permit

expeditious removal of spirits in wholesale liquor dealer packages. When all the stamps in a book have been issued the storekeeper-gauger in charge will return the stub book to the district supervisor.

(Secs. 2802, 2863, I. R. C.)

§ 185.634 *Record and report of wholesale liquor dealer stamps.* Storekeeper-gaugers having custody of wholesale liquor dealer stamps at internal revenue bonded warehouses will keep a record of such stamps received and used on Part 1 of Form 118, properly modified for the purpose, and as required by instructions on the form or as issued in respect thereto. The record will be kept in bound form available for inspection by other Government officers. The storekeeper-gauger will prepare his monthly report on Part 2 of Form 118, properly modified and in duplicate, retain one copy and furnish one copy to the district supervisor.

§ 185.635 *Disposition of Form 92.* The storekeeper-gauger in charge will enter the serial numbers of the wholesale liquor dealer stamps in the proper column on each Form 92, opposite the description of the package for which the stamp is issued. He will then return one copy of Form 92 to the warehouseman with the stamps, forward one copy of the form to the district supervisor and retain one copy. The retained copy will be placed in a permanent file as authority for issuance of the stamps.

(Secs. 2802, 2863, I. R. C.)

§ 185.636 *Affixing and canceling stamps.* Upon receipt from the storekeeper-gauger in charge of the Form 92 and accompanying stamps, the warehouseman will affix the stamps to the packages and cancel the same under the supervision of a storekeeper-gauger. The stamps will be affixed, canceled and protected in the same manner as taxpaid spirits stamps are required in § 185.608 to be affixed and canceled, after which the packages must be immediately removed from the warehouse.

SUBPART DD—TAXPAID WITHDRAWALS IN TANK CARS

§ 185.650 *Application, Form 179.* Application to withdraw spirits from storage tanks and tax pay same for removal in tank cars shall be made by the warehouseman on Form 179, in quadruplicate, as in the case of withdrawals from such tanks for tax payment in packages, except that the application will show that the transportation will be by tank car.

(Secs. 2800, 2883, I. R. C.)

§ 185.651 *Report of gauge, Form 1520.* All copies of Form 179 shall be delivered to the storekeeper-gauger, whereupon the spirits will be run into a weighing tank and gauged for removal. The storekeeper-gauger shall enter the details of the gauge on Form 1520, in quintuplicate. The proof at which the spirits were distilled and the number and name or symbols of the owner of the tank car shall, in every instance, be noted by the storekeeper-gauger on Form 1520. The storekeeper-gauger will execute his report on each copy of Form 179 and will return all copies thereof, with four copies

of Form 1520 attached, to the proprietor, who will enter in the space provided therefor on each copy of Form 179 the description of the spirits gauged.

(Sec. 2883, I. R. C.)

§ 185.652 *Application for certificate of tax payment; Form 1594.* The proprietor will forward all copies of Form 179 and Form 1520, with Form 1594, "Application for Collector's Certificate of Tax Payment of Distilled Spirits for Shipment in Tank Cars," in duplicate if the vendee is located in the same supervisory district and in triplicate if the vendee is located in a different supervisory district, accompanied by proper remittance for the tax, to the collector of internal revenue. The collector may, in his discretion, accept uncertified checks in payment of the tax on spirits contained in tank cars where certificates are issued in lieu of stamps.

(Secs. 2883, 3655, I. R. C.)

§ 185.653 *Certificate of tax payment, Form 1595.* The collector will issue Form 1595, "Collector's Certificate of Tax Payment of Distilled Spirits for Shipment in Tank Cars," enter the serial number of the certificate in the column on all copies of Form 1520 provided for entering the serial numbers of taxpaid stamps, and execute his certificate of taxpayment on Form 179. The collector will fill in all the required data in the blank spaces on the certificate, except those provided in the lower left corner for the verification of the storekeeper-gauger, and date and sign the certificate in the same manner as a tax-paid stamp is required by § 185.605 to be filled in and dated and signed. This certificate is not negotiable and shall not be used on any tank car other than the one described therein. The collector will enter on the original and the copy or copies of Form 1594, in the space provided, the serial number, date and amount of the certificate issued. The collector will retain one copy each of Form 179 and Form 1520, and the original copy of Form 1594. He will mail or deliver the certificate (Form 1595) and the original and remaining copies of Form 179 and Form 1520 to the proprietor or his designated agent, in accordance with the vendor's request in Form 1594. The collector will send one copy of the application (Form 1594) to the district supervisor. Where the vendee is located in a different supervisory district, the collector will send the remaining copy of Form 1594 to the supervisor of the district in which the vendee is located.

(Secs. 2800, 2883, I. R. C.)

§ 185.654 *Route board.* Railroad tank cars used for the transportation of tax-paid distilled spirits must be equipped with a route board at least 10 by 12 inches in size, to which Form 1595 can be attached. Such board shall be of substantial material and shall be affixed permanently and securely to the tank car by roundheaded or carriage bolts, nutted and riveted, battered, or welded.

(Sec. 2883, I. R. C.)

§ 185.655 *Bill of lading.* The proprietor shall incorporate in the bill of

lading a description of Form 1595 as follows:

Form 1595

COLLECTOR'S CERTIFICATE OF TAXPAYMENT OF
DISTILLED SPIRITS FOR SHIPMENT IN TANK
CARS

Serial No. _____ Owner and No. of car _____
Vendor _____ Address _____
Vendee _____ Address _____

Where no bill of lading is issued, as in the case of transfer of a tank car between plants by switching arrangement, the warehouseman shall incorporate in Form 1520 such description of Form 1595.

(Sec. 2883, I. R. C.)

§ 185.656 *Storekeeper-gauger's verification.* The proprietor shall give the certificate of tax payment (Form 1595), the bill of lading (if any), and all copies of Form 179 and Form 1520, to the storekeeper-gauger. The storekeeper-gauger will verify the contents of the tank car and the description of Form 1595 in the bill of lading or Form 1520, as the case may be, and will determine the security of the route board, and date and sign the certificate in the space provided therefor. The proprietor shall then affix the certificate to the route board in the presence of the storekeeper-gauger. The certificate must be securely affixed to the route board with a good adhesive and with a tack in each corner, after which it will be canceled in the same manner as a tax-paid stamp after attachment to a package, and covered with a coating of transparent shellac, varnish, or lacquer, to prevent its easy removal or alteration.

(Sec. 2883, I. R. C.)

§ 185.657 *Release of tank car.* When the certificate of tax payment has been affixed to the route board and canceled, the storekeeper-gauger will return the bill of lading (if any) to the proprietor, release the tank car for shipment, and note on all copies of Form 1520 the date of the release of the tank car. The storekeeper-gauger will forward one copy of Form 179 and Form 1520 to the District supervisor, retain one copy of each form, and deliver one copy of Form 179 and two copies of Form 1520 to the proprietor, who will forward one copy of Form 1520 to the vendee.

(Secs. 2883, 3170, I. R. C.)

PROCEDURE WHEN TANK CAR IS EMPTIED

§ 185.658 *Scalping certificate.* When distilled spirits are received in a tank car by the proprietor of a rectifying plant, a taxpaid bottling warehouse, or other vendee authorized to receive taxpaid distilled spirits in tank cars, the vendee shall at the time the car is emptied, scalp the certificate of taxpayment, Form 1595, by cutting out all of that portion of the certificate within the border. The vendee shall then send the scalped portion of the certificate to the supervisor of the district in which the vendee is located, and shall obliterate the remainder of the certificate. If the tank car is received without the certificate attached thereto, the vendee shall note such fact on the bill of lading or Form 1520 and immediately notify the district supervisor, who will cause such

inquiry to be made respecting the shipment and receipt of the car as he may deem appropriate. Where a tank car with the certificate missing is received at a plant where a storekeeper-gauger is assigned, such storekeeper-gauger will furnish a complete report to the district supervisor.

(Sec. 2883, I. R. C.)

§ 185.659 *Vendee's use of Form 1520.* The report of gauge, Form 1520, sent to the vendee by the vendor shall be attached to the storage tank in the rectifying plant, taxpaid bottling warehouse, or premises of other vendee authorized to receive the spirits. The proprietor shall enter the date and quantity of removals from the storage tank in the blank space on such Form 1520. The report of gauge shall be kept on the tank until such time as the quantity covered by such report has been withdrawn from the tank. The report shall then be filed by the proprietor, available for inspection by Government officers. If the spirits are transferred directly from the tank car into a bottling tank, the vendee shall make a notation to that effect on the Form 1520 and file it. The requirements of this section shall not preclude use of the spirits prior to receipt of Form 1520.

(Sec. 2883, I. R. C.)

IN TANK CARS RECEIVED IN BOND

§ 185.660 *Procedure.* Where spirits are received in bond in tank cars at an internal revenue bonded warehouse and tax paid thereat, the procedure prescribed in §§ 185.650 to 185.657 for the tax payment of tank cars of spirits filled from warehouse storage tanks will be followed, except that the spirits in the tank car need not be regauged but may be tax paid on the filling gauge if tax paid immediately upon receipt as provided in § 185.377.

(Secs. 2800, 2883, 2901, I. R. C.)

§ 185.661 *Report of gauge, Form 1520.* Where the spirits in a tank car are tax paid according to the filling gauge the proprietor will make a copy of such gauge in quintuplicate, for use in tax payment.

(Sec. 2883, I. R. C.)

SUBPART EE—TAX-PAID WITHDRAWALS IN CASES

§ 185.670 *Application, Form 1519.* Application for tax payment and withdrawal of distilled spirits in cases bottled in bond shall be made by the warehouseman on Form 1519, in triplicate. Each withdrawal will be made on a separate Form 1519, except that two or more withdrawals on the same day of spirits produced by the same distiller at the same distillery may be made on one form. All copies of the form will be submitted to the storekeeper-gauger in charge of the warehouse, who, after examining the spirits and satisfying himself that the contents and other details are as set forth in the application, will sign the certificate to such effect on each copy of the form and return all copies to the applicant. The warehouseman will, upon receipt of Form 1519 duly approved, cancel the necessary stamps in

the exact amount of the tax due in the manner provided by § 185.675. He will then attach the stamps to Form 1519 and return all copies to the Government officer. The Government officer will complete the cancellation of the stamps as provided by § 185.675 and will execute the certificate on Form 1519 evidencing the receipt and cancellation of stamps for the amount of taxes due.

(Sec. 2800, I. R. C.)

§ 185.671 *Withdrawal of spirits.* The spirits will be promptly withdrawn from the warehouse. On the date of withdrawal there will be stenciled on each case the word "Taxpaid," the date when stamps were canceled and surrendered to the storekeeper-gauger in payment of such tax, followed by the name and title of the storekeeper-gauger. Immediately upon withdrawal the storekeeper-gauger will enter on each copy of Form 1519 the date of withdrawal, sign each copy, and forward the copy to which the canceled stamps are attached to the district supervisor, deliver one copy to the warehouseman, and file one copy in his office.

(Sec. 2800, I. R. C.)

STAMPS

§ 185.672 *Denominations; purchase and use.* Stamps for the taxpayment of distilled spirits bottled in bond may be purchased in various denominations. The denominations of such stamps are set forth on Form 427-D. Distilled spirits stamps for tax paying distilled spirits bottled in bond should be purchased by proprietors of internal revenue bonded warehouses where such bottled distilled spirits are stored (or bottled, if immediate removal after bottling is contemplated) from the collector of internal revenue of the district in which the warehouse is located. Stamps may not be purchased by one warehouseman from another, nor may they, except in cases of emergency, be purchased from collectors of other districts. Stamps may be sold only to proprietors of internal revenue bonded warehouses and only for the payment of tax on distilled spirits bottled in bond. Warehousemen shall not sell or transfer stamps except that they may (a) transfer such stamps to other internal revenue bonded warehouses operated by themselves as provided in § 185.676 pursuant to the prior approval of the district supervisor; or (b) return such stamps for redemption in accordance with § 185.677. Distilled spirits stamps (for distilled spirits bottled in bond) used or unused may not be purchased, sold, or possessed, except as specifically provided by law or regulations.

(Secs. 2800, 3172, 3175, 3300, I. R. C.)

§ 185.673 *Form 427-D.* With each purchase of stamps the warehouseman will submit to the collector Form 427-D, in triplicate, properly filled out. The collector will stamp the date of sale on all copies of Form 427-D, return one copy to the warehouseman with the stamps and send one copy to the appropriate district supervisor. The remaining copy of Form 427-D will be filed in the collector's office so that all purchases of stamps may be verified at any time. The

collector will refuse to sell stamps when such form is not submitted.

(Secs. 2800, 3172, I. R. C.)

§ 185.674 *Remittance; delivery.* All orders for stamps must be accompanied by proper remittance in a sum equal to the value of the stamps. Unless the stamps are called for by the warehouseman or his agent in person, they will be sent to him by ordinary mail, registered mail, or express, at the expense of the warehouseman. When the stamps are not called for in person the warehouseman will specify on Form 427-D the means (ordinary mail, registered mail, or express) by which he desires the stamps sent to him. If the stamps are ordered sent by ordinary mail, the warehouseman shall enclose with his order sufficient postage stamps, or a separate remittance to cover the postage; if the stamps are ordered sent by registered mail, the warehouseman shall include the postage and registry fee and any required registry surcharge, as provided by the postal laws and regulations. If the remittance is other than cash the sum to cover the postage, registry fee, or surcharge must not be included in the remittance covering the cost of the stamps. The local postmaster should be consulted relative to the amount of the registry fee and surcharge required. Stamps forwarded by express will be sent "collect."

(Secs. 2800, 3172, 3656, I. R. C.)

§ 185.675 *Manner of canceling stamps.* At the time of delivery of the stamps to the Government officer for payment of the distilled spirits tax on distilled spirits bottled in bond, the warehouseman shall cancel the stamps by legibly writing or stamping on each stamp with indelible (India) ink his name, registry number, and the serial number of Form 1519. The taxpaid stamps must be further canceled by being signed by the Government officer, followed by his title. Facsimile signatures of Government officers on stamps may be affixed by the use of hand stamps, provided that care is taken to use only such ink as will neither fade nor blur.

(Secs. 2800, 3172, I. R. C.)

§ 185.676 *Transfer to other premises.* When the internal revenue bonded warehouse is permanently discontinued, or the proprietor has no use for the stamps thereat and the proprietor operates other internal revenue bonded warehouses in which the stamps could be used, he may transfer the stamps to such other premises for use thereat. Permission to so transfer stamps to other premises must be first obtained from the district supervisor. If the warehouse to which the stamps are to be transferred is located in another supervisory district, the district supervisor granting authority to transfer the stamps will advise the district supervisor of the other district so that he may know that the receiving warehouse is entitled to receive the stamps. The latter district supervisor will also inform the Government officer assigned to the receiving warehouse of the authority to receive stamps from other internal revenue bonded warehouses. Record of such transfer of

stamps must be made on Form 1697, as provided in § 185.679.

(Secs. 2800, 3172, I. R. C.)

§ 185.677 *Redemption of distilled spirits stamps (for distilled spirits bottled in bond).* Distilled spirits stamps (for distilled spirits bottled in bond) may be redeemed pursuant to section 3304, Internal Revenue Code, which reads as follows:

Redemption of stamps—(a) Authorization. The Commissioner, subject to regulations prescribed by the Secretary, may, upon receipt of satisfactory evidence of the facts, make allowance for or redeem such of the stamps, issued under authority of law, to denote the payment of any internal revenue tax, as may have been spoiled, destroyed, or rendered useless or unfit for the purpose intended, or for which the owner may have no use, or which through mistake may have been improperly or unnecessarily used, or where the rates or duties represented thereby have been excessive in amount, paid in error, or in any manner wrongfully collected.

(b) Method and conditions of allowance. Such allowance or redemption may be made, either by giving other stamps in lieu of the stamps so allowed for or redeemed, or by refunding the amount or value to the owner thereof, deducting therefrom, in case of repayment, the percentage, if any, allowed to the purchaser thereof; but no allowance or redemption shall be made in any case until the stamps so spoiled or rendered useless shall have been returned to the Commissioner, or until satisfactory proof has been made showing the reason why the same cannot be returned; or, if so required by the said Commissioner, when the person presenting the same cannot satisfactorily trace the history of said stamps from their issuance to the presentation of his claim as aforesaid.

(c) Time for filing claims. No claim for the redemption of or allowance for stamps shall be allowed unless presented within four years after the purchase of such stamps from the Government.

(d) Finality of Commissioner's decision. The findings of facts in and the decision of the Commissioner upon the merits of any claim presented under or authorized by this section shall, in the absence of fraud or mistake in mathematical calculation, be final and not subject to revision by any accounting officer.

§ 185.678 *Claim to collector.* Proprietors of internal revenue bonded warehouses desiring to have distilled spirits stamps (for distilled spirits bottled in bond) redeemed under the provisions of section 3304, I. R. C., must make claim on Form 843 to the collector of internal revenue. The stamps, for which redemption is claimed, must be attached to the claim, and the number and denominations thereof must be listed on the claim or on a sheet of paper attached thereto. Where the stamps have been destroyed, evidence satisfactory to the Commissioner establishing such destruction must accompany the claim.

(Secs. 2800, 3172, 3304, I. R. C.)

§ 185.679 *Unredeemable stamps.* Distilled spirits stamps (for distilled spirits bottled in bond) may not be redeemed while distilled spirits bottled in bond, on which the stamps can be used in taxpayment, remain on hand and while the bottling-in-bond department of the internal revenue bonded warehouse remains in a qualified status. When an internal revenue bonded warehouse is

discontinued and stamps remain on hand, such stamps are not redeemable if the proprietor operates other bonded warehouses at which the stamps could be used. In such cases the stamps will be transferred to the other premises for use thereat. Notation of the transfer must be made on Form 1697 of both premises.

(Secs. 2800, 3172, 3304, I. R. C.)

§ 185.680 Stamp record. The proprietor of the internal revenue bonded warehouse shall keep a record on Form 1697 of all distilled spirits stamps (for distilled spirits bottled in bond) received and used at his warehouse. Entries will be made thereon and the report submitted in accordance with the headings of the various lines and columns on the form and the instructions printed thereon or issued in respect thereto and as required by this Part. When such distilled spirits stamps are surrendered for redemption, in accordance with §§ 185.677 and 185.678, or are transferred to, or received from, other internal revenue bonded warehouses operated by the proprietor, as authorized in § 185.676, record thereof must be made on Form 1697, giving the reason for such surrender, transfer, or receipt, the date thereof, and the denominations of the stamps surrendered, transferred, or received, and, in cases of transfer or receipt, the name, registry number, and location of the premises to which the stamps were transferred or from which they were received.

(Secs. 2800, 3172, I. R. C.)

SUBPART FF—TRANSFERS IN BOND BETWEEN INTERNAL REVENUE BONDED WAREHOUSES

§ 185.680 Kinds of containers. Distilled spirits may be transferred in bond from one internal revenue bonded warehouse to another such warehouse (a) in distiller's original packages; (b) in packages to which the contents of such original packages were transferred; (c) in cases where the spirits were bottled in bond; (d) in packages or tank cars filled from warehouse tanks; or (e) in tank cars filled at the distillery.

(Sec. 2875, I. R. C.)

§ 185.691 Mingling in gauging tank of spirits intended for transfer in bond. Only spirits which are eligible for mingling in a warehouse storage tank (see § 185.372) may be mingled in a warehouse gauging tank preparatory to transfer in bond. Spirits in packages may not be dumped together into gauging tanks preparatory to repackaging for transfer in bond to another internal revenue bonded warehouse.

(Secs. 2875, 2883, I. R. C.)

§ 185.692 Transfers in sealed conveyances. Where a warehouseman desires to transfer packages of distilled spirits in a sealed conveyance, such as a railroad boxcar or a closed van, serially numbered seals for sealing the conveyance will be furnished by the shipper. As soon as the conveyance is filled the proprietor shall attach the seals thereto. The storekeeper-gauger will enter the numbers of the seals used on the Form

1520, 1619, or 1620, as the case may be. Upon arrival of the sealed conveyance at the consignee premises, the seal must not be broken or distilled spirits removed, except in the presence of a storekeeper-gauger.

TRANSFERS BETWEEN WAREHOUSES IN SAME DISTRICT

§ 185.693 Application, Form 236. Where the transfer is to be made between warehouses in the same supervisory district, the proprietor of the receiving warehouse shall execute an application for the transfer of spirits on Form 236. The applicant shall enter all applicable data indicated by the form, including the maximum quantity in tax gallons to be transferred in any one truck, railroad car, or other vehicle and the type of conveyance. The name of the carrier shall not be specified on Form 236. The applicant shall prepare an original and five copies of the Form 236 and give them to the storekeeper-gauger in charge of the receiving warehouse.

(Sec. 2875, I. R. C.)

§ 185.694 Storekeeper-gauger's certificate of sufficiency of bond. Upon receipt of Form 236 by the storekeeper-gauger in charge, he will compare the penal sum of the bond as stated in the application with his record furnished by the district supervisor pursuant to § 185.314. If the warehouse bond is given in the maximum penal sum of \$200,000, he will certify to the sufficiency thereof on Form 236, and return all six copies of the form to the proprietor of the warehouse. If the warehouse bond is given in less than the maximum penal sum, the storekeeper-gauger in charge will determine from his records whether the tax liability on the quantity of distilled spirits represented by the Form 236, plus the quantity of distilled spirits stored in the warehouse, plus the quantity represented by all outstanding approved Forms 236, is within the limits of the penal sum of the transportation and warehousing bond. If so, he will certify to the sufficiency of the bond on Form 236, record such certification in his records, and return all six copies of the form to the proprietor. If the transportation and warehousing bond is not sufficient, he will certify to that fact on Form 236 and return all six copies to the proprietor. Such forms shall be invalid for the transfer of spirits. If the storekeeper-gauger certifies that the bond is sufficient, the proprietor will forward all six copies of the Form 236 to the proprietor of the consignee-warehouse. The proprietor of the consignee-warehouse will be responsible for all outstanding valid Forms 236. If, at any time, he decides not to use one, he will obtain all copies from the consignor and give them to the storekeeper-gauger in charge of the warehouse for cancellation and return to the proprietor of the consignee-warehouse.

(Sec. 2875, I. R. C.)

§ 185.695 Transfers in packages. When the proprietor of the shipping warehouse desires to make shipment of spirits in original packages, or in packages previously filled from warehouse

storage tanks, or of blended brandies in packages filled in the brandy-blending department, he will prepare an original and four copies of Form 1619, showing thereon the information called for by the form except the shipping and receiving gauges. In the case of blended brandies the proprietor shall also show on Form 1619 the date and serial number of the Form 1685 covering the blending of the brandies, the date of the original entry of the oldest brandy in the blend and the date of the original entry of the youngest brandy in the blend. He will give a copy of Form 236 and all copies of the Form 1619 to the storekeeper-gauger in charge. Upon receipt of the Forms 236 and 1619 the storekeeper-gauger will verify all entries on the Form 1619 and inspect, proof and weigh each package to be transferred: *Provided*, That where packages to be transferred had the bungs sealed by the shipper in a manner approved by the Commissioner, such packages need only be inspected and weighed prior to shipment. The storekeeper-gauger will enter the shipping gross weights on Form 1619 and where packages are not proofed enter the statement "Shipped in packages with sealed bungs" in the space provided for the proof on the form. The total of the shipping gross weights will be entered on the Form 236. The quantity to be transferred shall not exceed the maximum stated in the application. The storekeeper-gauger in charge will give the copy of Form 236 and the five copies of Form 1619 to the proprietor, who shall, on the same date that the spirits are to be transferred, execute on the six copies of Form 236 a description of the packages to be transferred. He shall immediately return all copies of such forms to the storekeeper-gauger in charge. Upon withdrawal for transfer the word "Transferred" followed by the date of transfer, the word "To," the number of the receiving warehouse, and the State in which such warehouse is located, will be plainly and durably stenciled on the Government head of the package in letters and figures not less than one-half inch in height. These marks may be abbreviated as follows:

Transferred Aug. 1, 1936
To I. R. B. W. 4—N. Y.

Forms 236 and 1619 will be disposed of in accordance with § 185.706.

(Secs. 2801, 2875, I. R. C.)

§ 185.696 Transfers in cases. When the proprietor desires to transfer cases of distilled spirits bottled in bond, he will prepare an original and four copies of Form 1620 showing thereon all information called for by the form. He will deliver all copies of Form 1620 with a copy of Form 236 to the storekeeper-gauger in charge. Upon receipt of Forms 236 and 1620 the storekeeper-gauger will verify all entries on the Form 1620 and inspect the cases to be transferred. Necessary remarks concerning the condition of any particular case at time of shipment should be made on all copies of the Form 1620. The quantity to be transferred shall not exceed the maximum stated in the application. The storekeeper-gauger in charge will give the copy of Form 236 and the five copies of

Form 1620 to the proprietor who shall, on the same date that the spirits are to be transferred, execute on the six copies of Form 236 the description of the cases to be transferred. He shall immediately return all copies of such forms to the storekeeper-gauger in charge. Upon withdrawal for transfer, the word "Transferred" followed by the date of transfer, the word "To," the number of the receiving warehouse, and the State in which such warehouse is located, will be plainly and durably stenciled or stamped upon the Government side of each case in letters and figures not less than three-eighths inch in height. These marks may be abbreviated as follows:

Trans. 3-29-1938
To I. R. B. W. 25 N. Y.

Where there is insufficient space on the Government side of the case, these marks may be placed upon another side of the case. Forms 236 and 1620 will be disposed of in accordance with § 185.706.

(Sec. 2875, I. R. C.)

§ 185.697 *Transfers in tank cars.* When the proprietor desires to transfer spirits in a previously filled tank car, he will prepare an original and four copies of Form 1520, copying the details of the entry Form 1520, except that if the contents of the tank car were previously regauged owing to the evidence of loss of spirits therefrom, the transfer Form 1520 will show both the original contents and the contents shown by the regauge. He will deliver all copies of Form 1520 and a copy of Form 236 to the storekeeper-gauger in charge. Upon receipt of Forms 1520 and 236 the storekeeper-gauger will verify, by reference to his records, all entries on Form 1520. The quantity to be transferred shall not exceed the maximum stated in the application. The storekeeper-gauger will inspect the car and give the copy of Form 236 and the five copies of Form 1520 to the proprietor, who shall, on the same date that the spirits are to be transferred, execute on the six copies of Form 236 the description of the tank car to be transferred. He shall immediately return all copies of the forms to the storekeeper-gauger in charge. When the tank car is released, the key to each seal lock thereon will be forwarded on the date of shipment by the consignor storekeeper-gauger to the consignee storekeeper-gauger. Forms 236 and 1520 will be disposed of in accordance with § 185.706.

(Secs. 2875, 2883, I. R. C.)

§ 185.698 *Transfers from storage tanks, in packages or tank cars.* When the proprietor desires to transfer spirits in packages or tank cars, to be filled from warehouse storage tanks, he will deliver a copy of Form 236 to the storekeeper-gauger in charge of the warehouse and furnish him with a complete description of the spirits. Upon receipt of the Form 236 the spirits designated to be transferred will be drawn into packages, gauged, marked, and branded, or run into a gauging tank, gauged, and conveyed by pipe line into a railroad tank car, constructed and marked as herein-after provided. The storekeeper-gauger will prepare a report of the gauge on an

original and four copies of Form 1520, and note on each copy of the form the proof at which the spirits were distilled. The quantity to be transferred shall not exceed the maximum stated in the application. The storekeeper-gauger in charge will give the copy of Form 236 and the five copies of Form 1520 to the proprietor, who shall, on the same date that the spirits are to be transferred, execute on the six copies of Form 236 the description of the packages or tank cars to be transferred. He shall immediately return all copies of the forms to the storekeeper-gauger in charge. Forms 236 and 1520 will be disposed of in accordance with § 185.706.

(Secs. 2875, 2883, I. R. C.)

§ 185.699 *Mixing of different spirits prohibited.* Spirits produced by two or more distillers, or distilled from different materials, or which were distilled during different distilling seasons, or which differ in kind according to the standards of identity established under the Federal Alcohol Administration Act, may not be mingled in filling packages or tank cars from storage tanks.

(Secs. 2883, 3254, I. R. C.)

§ 185.700 *Marking and construction of tank car.* Each railroad tank car used to transport distilled spirits in bond must have permanently and legibly marked or painted thereon its number, capacity in gallons, and the name and symbols of the owner. The dome or manhole covers on the railroad tank car shall be equipped with facilities for locking with a seal lock when closed, and the outlet valves or other openings to or from the car shall be so constructed that they may be closed and securely fastened on the inside or locked in like manner. If the car is not so constructed, the storekeeper-gauger will not permit it to be filled.

(Sec. 2883, I. R. C.)

§ 185.701 *Locks and seals.* Seal locks, to be furnished by the warehouseman, and seals for the same, to be furnished by the Government, will be used for locking the tank car, and such locks will be attached as soon as the car is filled. On the day of shipment, the storekeeper-gauger at the shipping warehouse will forward the key of each seal lock applied to the tank car to the storekeeper-gauger at the receiving warehouse.

(Sec. 2883, I. R. C.)

§ 185.702 *Inspection of tank car.* Upon receiving an application, Form 236, for the transfer of spirits in bond in a railroad tank car, the storekeeper-gauger will inspect the tank car to see that the dome may be locked with a seal lock when closed, and that all other openings to or from the car may be closed and securely fastened on the inside or locked in like manner. If the car is not so constructed, the officer will not permit it to be filled.

(Sec. 2883, I. R. C.)

§ 185.703 *Filling of tank car.* Tank cars must be filled in the immediate presence of the storekeeper-gauger. The pipeline or hose connection to the tank car must be in full view of the officer and must not be connected or used, ex-

cept in his presence. The officer will seal-lock the car as soon as it is filled. The officer will enter on Form 1520, covering the gauge of the spirits, the name of the owner and the serial number of the car, the serial number of the lock seal or seals, the destination and the date of shipment, as for example: "Withdrawn in U. P. tank car No. 1643, Lock seal No. 35457, for transfer to internal revenue bonded warehouse No. 56, New York, New York. Billed out 3:30 p. m., July 30, 1938."

(Sec. 2883, I. R. C.)

§ 185.704 *Route board.* Railroad tank cars used for the transportation of distilled spirits in bond must be equipped with a route board at least 10 by 12 inches in size. Such board shall be of substantial material and shall be affixed permanently and securely to the tank car by roundheaded or carriage bolts, nutted and riveted, battered or welded.

(Sec. 2883, I. R. C.)

§ 185.705 *Label to be attached.* When distilled spirits are shipped in bond in a railroad tank car, a label, dated and signed by the storekeeper-gauger, showing that the spirits are shipped in bond and giving the name, registered number, and location (city or town and State) of both the shipping and receiving warehouses, shall be securely attached to the route board where it may be readily examined by Government officers. The label will be attached by the warehouseman under the supervision of the Government officer. The label, which will be furnished by the shipper, will be in substantially the following form:

Shipped in Bond by
JOHN DOE COMPANY
I. R. B. W. No. 55, Boston, Mass.
To
NEW YORK WAREHOUSE COMPANY
I. R. B. W. No. 81, Brooklyn, N. Y.

(Date) (Storekeeper-gauger)
(Sec. 2883, I. R. C.)

§ 185.706 *Storekeeper-gauger's certificate of removal.* Upon removal of the spirits, the storekeeper-gauger will execute his report of inspection or gauge and removal on the six copies of Form 236, and will note on each copy of Form 1520, 1619, or 1620, covering the shipment, the serial numbers of any locks or seals used to secure the conveyance. The storekeeper-gauger in charge will retain one copy of Forms 236 and 1520, 1619, or 1620, as the case may be, furnish one copy of each form to the proprietor of the shipping warehouse, forward one copy of Form 236 to the supervisor and forward three copies of Form 236 and three copies of Form 1520, 1619, or 1620 to the storekeeper-gauger in charge of the receiving warehouse. Where shipment of packages or cases is made by truck, the three copies each of Forms 236 and 1520, 1619, or 1620, for the storekeeper-gauger in charge at the receiving warehouse, will be sealed in an envelope addressed to such storekeeper-gauger in charge and handed to the person in charge of the truck for delivery to him.

(Secs. 2875, 3170, I. R. C.)

§ 185.707 *Storekeeper-gauger's receipt of spirits at warehouse.* Upon re-

ceipt of the spirits at the receiving warehouse, the storekeeper-gauger will examine the shipment and will ascertain and note on Form 1520, 1619 or 1620, as the case may be, losses or discrepancies, as provided in §§ 185.376 to 185.378. The storekeeper-gauger will weigh and proof the spirits as provided in § 185.375. The storekeeper-gauger will execute his certificate of receipt on each copy of Form 236, retain one copy each of Forms 236, and 1520, 1619 or 1620, give one copy of each form to the proprietor of the warehouse and forward one copy of each form to the district supervisor. No withdrawal or transfer in bond of spirits received at the warehouse will be made until the three copies of Form 236 and the three copies of Form 1520, 1619 or 1620, as the case may be, have been received by the storekeeper-gauger in charge. The storekeeper-gauger will report on Form 1513 the original tax gallons contained in all packages received regardless of any losses in transit. However, any package lost in transit will not be reported on Form 1513 but will be reported by the district supervisor in his account of losses, Form 1691.

(Secs. 2875, 2901, I. R. C.)

TRANSFERS IN BOND BETWEEN INTERNAL REVENUE BONDED WAREHOUSES IN DIFFERENT DISTRICTS

§ 185.708 *Application, Form 236.* Where the transfer is to be made between bonded warehouses in different supervisory districts, the proprietor of the receiving warehouse shall execute an application for the transfer of the spirits on Form 236. The applicant shall enter all applicable data indicated by the form including the maximum quantity in tax gallons to be transferred in any one truck, railroad car or other vehicle, and the type of conveyance. The name of the carrier shall not be specified on Form 236. The applicant shall prepare an original and six copies of Form 236 and give them to the storekeeper-gauger in charge of the receiving warehouse.

(Sec. 2875, I. R. C.)

§ 185.709 *Certificate of sufficiency of bond.* Upon receipt of Form 236 by the storekeeper-gauger in charge, he will compare the penal sum of the bond as stated in the application with his record furnished by the district supervisor pursuant to § 185.314. If the warehouse bond is given in the maximum penal sum of \$200,000, he will certify to the sufficiency thereof on Form 236, and return all seven copies of the form to the proprietor of the warehouse. If the warehouse bond is given in less than the maximum penal sum, the storekeeper-gauger in charge will determine from his records whether the tax liability on the quantity of distilled spirits represented by the Form 236, plus the quantity of distilled spirits stored in the warehouse, plus the quantity represented by all outstanding approved Forms 236, is within the limits of the penal sum of the transportation and warehousing bond. If so, he will certify to the sufficiency of the bond on Form 236, record such certification in his records, and return all seven copies of the form to the proprietor. If the transportation and warehousing

bond is not sufficient, he will certify to that fact on Form 236 and return all seven copies to the proprietor. The proprietor will forward all seven copies of the approved Form 236 to the proprietor of the consignor-warehouse. The proprietor of the consignee-warehouse will be responsible for all outstanding approved Forms 236. If, at any time, he decides not to use one, he will obtain all copies from the consignor-warehouseman and give them to the storekeeper-gauger in charge of the warehouse for cancellation and return to the proprietor of the consignee-warehouse.

(Sec. 2875, I. R. C.)

§ 185.710 *Transfers in packages, cases, and tank car.* Spirits in original packages, or in packages filled from warehouse storage tanks, will be transferred in accordance with the provisions of § 185.695. Spirits in cases will be transferred in accordance with the provisions of § 185.698. Spirits in a previously filled tank car will be transferred in accordance with the provisions of § 185.697. If spirits to be transferred are in storage tanks, they will be drawn into packages or into a tank car and then transferred in accordance with the provisions of § 185.698. An additional copy of Form 1520, 1619, or 1620, as the case may be, will be prepared for inter-district transfers. Forms 236 and 1520, 1619 or 1620 will be disposed of in accordance with § 185.711.

(Sec. 2875, I. R. C.)

§ 185.711 *Storekeeper-gauger's certificate of removal.* Upon removal of the spirits, the storekeeper-gauger will execute his report of inspection or gauge and removal on the seven copies of Form 236, and will note on each copy of Form 1520, 1619, or 1620, covering the shipment, the serial numbers of any locks or seals used to secure the shipping conveyance. The storekeeper-gauger in charge will retain one copy of Forms 236 and 1520, 1619, or 1620, as the case may be, furnish one copy each of such forms to the proprietor at the shipping warehouse, forward one copy of each form to the supervisor-consignor, and forward four copies of Form 236 and three copies of Form 1520, 1619, or 1620 to the storekeeper-gauger in charge of the receiving warehouse. Where shipment of packages or cases is made by truck, four copies of Form 236 and three copies of Forms 1520, 1619, or 1620 for the storekeeper-gauger in charge at the receiving warehouse will be sealed in an envelope addressed to such storekeeper-gauger in charge and handed to the person in charge of the truck for delivery to him.

(Sec. 2875, I. R. C.)

§ 185.712 *Storekeeper-gauger's receipt of spirits at receiving warehouse.* Upon receipt of the spirits at the receiving warehouse, the storekeeper-gauger will examine the shipment and will ascertain and note on Form 1520, 1619, or 1620, as the case may be, any losses or discrepancies, as provided in §§ 185.376 to 185.378. The storekeeper-gauger will weigh and proof the spirits as provided in § 185.375. The storekeeper-gauger will execute his certificate

of receipt on each copy of Form 236, retain one copy each of Forms 236 and 1520, 1619, or 1620, give one copy of each form to the proprietor of the warehouse, and forward two copies of Form 236, one copy of Form 1520, 1619 or 1620, as the case may be, to the supervisor of his district. The district supervisor will retain one copy of Form 236 and the copy of Form 1520, 1619, or 1620 and forward the remaining copy of Form 236 to the supervisor of the district from which the spirits were transferred. No withdrawal or transfer in bond of spirits received at the warehouse will be made until the four copies of Form 236 and the three copies of Form 1520, 1619, or 1620, as the case may be, have been received by the storekeeper-gauger in charge. The storekeeper-gauger will report on Form 1513 the original tax gallons contained in all packages received regardless of any losses in transit. However, any package lost in transit will not be reported on Form 1513 but will be reported by the supervisor-consignee in his account of losses, Form 1691.

(Sec. 2875, I. R. C.)

SUBPART GG—TRANSFERS FOR REDISTILLATION

§ 185.725 *General.* Distilled spirits of any proof may be transferred in approved containers from an internal revenue bonded warehouse to any distillery for redistillation: *Provided,* That distilled spirits produced from material other than fruits or their residues may not be transferred to fruit distilleries for redistillation. Spirits of 160 degrees of proof or more may be transferred by pipeline from storage tanks in an internal revenue bonded warehouse to a distillery on the same or contiguous premises for redistillation or they may be transferred in tank cars to any distillery for redistillation. The pipeline used for conveyance of spirits for redistillation shall be constructed and protected in accordance with the requirements of § 185.123 and approved for that purpose. Spirits for redistillation may be removed only pursuant to an approved application filed in accordance with Regulations 4 (26 CFR, Part 183). Upon removal of spirits from an internal revenue bonded warehouse for redistillation, the consignee distiller shall assume the liability for all taxes and liens in respect of such spirits from the time they leave the warehouse premises; and, upon redistillation, the redistilled spirits shall be treated the same as if they were originally produced by the redistiller and all prior obligations as to taxes and liens thereon shall be superseded. The removal of spirits for redistillation shall be made in accordance with the provisions of this subpart.

(Sec. 2883, I. R. C.)

§ 185.726 *Gauge of spirits to be removed for redistillation.* Upon receipt of application, Form 236, and the copy of the special application authorizing the removal, the warehouseman, when he desires to make shipment will give a copy of Form 236 to the storekeeper-gauger and furnish him with a complete description of the spirits to be shipped. The storekeeper-gauger will verify the information shown on Form 236 with the

corresponding information shown on the application. He will make the inspection and gauge of containers or the bulk gauge for removal by pipeline or in tank cars, as the case may be. If the spirits are to be removed for redistillation are in packages the proprietor will prepare and complete Form 1520 in the manner provided in § 185.601. Otherwise the report of gauge will be prepared by the storekeeper-gauger. In the case of intra-district shipments an original and four copies of Form 1520 will be prepared and in the case of interdistrict shipments an original and five copies will be prepared. Where the inspection or gauge discloses containers bearing evidence of tampering or unusual loss of contents that is not satisfactorily explained, the storekeeper-gauger shall immediately notify the district supervisor of all facts in the case and will detain the containers and contents thereof pending receipt of instructions from the district supervisor. The marking of containers and distribution of applications and gauge reports will be made, in accordance with the applicable provisions of §§ 185.690-185.712. A copy of the gauge report will be attached to each copy of Form 236. Containers of spirits removed from the warehouse for redistillation must have the required transfer-in-bond markings stenciled thereon, and, in addition, the words "For Redistillation." The storekeeper-gauger will note on all gauge reports covering removal of spirits for redistillation the proof at which the spirits were distilled and the words, "For Redistillation," followed by the serial number and date of approval of the special application authorizing such removal. Spirits may not be removed for redistillation until the proper authorization has been received at the consignor premises and exhibited to the storekeeper-gauger in charge.

(Secs. 2883, 4017, I. R. C.)

§ 185.727 *Records.* Spirits removed from an internal revenue bonded warehouse for redistillation shall be reported and accounted for by the proprietor of the warehouse on Form 52C, and by the storekeeper-gauger on Form 1513. Only the actual quantity of spirits removed, as determined by the storekeeper-gauger's report of gauge, will be reported. Any loss established by the gauge will be recorded in the same manner as other losses are shown in the storekeeper-gauger's Form 1513. For each withdrawal of spirits for redistillation there shall be shown, on an available space on the line where such withdrawal is entered, the notation, "For Redistillation," followed by the serial number and date of the application authorizing the removal of the spirits for redistillation.

(Sec. 2883, I. R. C.)

SUBPART HH—EXPORTATION OF DISTILLED SPIRITS FREE OF TAX

§ 185.735 *General.* Distilled spirits may be withdrawn from an internal revenue bonded warehouse, free of tax, for exportation as provided in this subpart. Distilled spirits may be so withdrawn under a direct export bond, in which case the exporter must furnish to the district supervisor evidence of the actual

landing of the spirits in a foreign country or proof of loss of the spirits at sea. Distilled spirits may also be withdrawn for exportation under a transportation bond covering the transfer of the spirits from the internal revenue bonded warehouse to the port of export, in which case the exporter must file with the collector of customs at the port of export bond, Form 693, in a penal sum equal to the internal revenue tax on the spirits to be exported, and proof of actual landing of the spirits at the foreign port in accordance with customs regulations. In both cases a certificate showing the actual clearance of the spirits from the port of export will be furnished to the district supervisor by the collector of customs.

(Secs. 2885, 2886, I. R. C.)

§ 185.736 *Kinds of containers.* Distilled spirits may be removed in bond, free of tax, for export in (a) distiller's original packages, including those the contents of which have been reduced in proof to not less than 90 degrees; (b) new packages filled from distiller's original packages; (c) cases, when bottled in bond for export under the provisions of Subparts NN-QQ; (d) wooden packages each containing two or more metallic cans of a capacity of not less than 5 gallons each; (e) in tank cars, in the case of spirits of not less than 180 degrees of proof transferred from the distillery to warehouse storage tanks for that purpose; and (f) in packages containing brandies blended under this part.

(Secs. 2801, 2878, 2885, 2888, 2903, 2905, 2910, I. R. C.)

§ 185.737 *Mingling in gauging tank of spirits intended for exportation.* Only spirits which conform to the limitations stated in § 185.765 may be mingled in a warehouse gauging tank preparatory to removal for exportation.

(Secs. 2883, 2888, 3254, I. R. C.)

DISTILLER'S ORIGINAL PACKAGES

§ 185.738 *Application and entry.* Whenever an owner desires to remove distilled spirits from an internal revenue bonded warehouse, either for direct exportation or for transportation for export, in distiller's original packages without reducing the proof of the spirits, or after the spirits have been reduced to not less than 90 degrees proof, he shall execute application on Form 206, in quintuplicate. All information required by the instructions printed on the form, or issued in respect thereto, and in this part, shall be furnished. Applications on Form 206 must be signed in accordance with the instructions printed on the form and sworn to before an officer authorized to administer oaths: *Provided*, That if the form officially prescribed for such application contains therein a provision for verification by a written declaration that such application is made under the penalties of perjury, such application shall be verified by the execution of such declaration, and such declaration shall be in lieu of any oath required herein for verification.

(Secs. 2825, 2886, 3809, I. R. C.)

§ 185.739 *Method of conveyance.* The conveyance to be used in transport-

ing the spirits from the bonded warehouse to the port of export and the name of the carrier or carriers shall be shown in the application whenever possible. If the spirits are shipped on a through bill of lading and all of the carriers handling the spirits while in transit are not known, the name of the carrier to whom the spirits are to be delivered at the shipping warehouse must be shown.

(Secs. 2885, 2886, I. R. C.)

§ 185.740 *Request for regauge.* After the application, Form 206, has been fully executed, the owner will deliver all copies to the proprietor of the warehouse who will execute his request for regauge of the spirits. The proprietor will prepare Form 1520, in quintuplicate, in the manner provided in § 185.601 and deliver all copies of Forms 206 and 1520 to the storekeeper-gauger in charge of the warehouse.

(Secs. 2885, 2886, I. R. C.)

§ 185.741 *Inspection and regauge.* Upon receipt of the Form 1520 and the application the storekeeper-gauger, by reference to his records, will verify the entries in the heading on Form 1520 and details of entry gauge transcribed thereto and shall examine the application and request for regauge. If no discrepancies are found in Form 1520 and Form 206 has been fully executed, the storekeeper-gauger will (unless the packages are to be withdrawn on the original gauge as authorized in § 185.564) inspect and regauge the packages. The storekeeper-gauger will enter the weights and proofs found on regauge on Form 1520 and return the form to the proprietor for completion. Where packages appear to have been tampered with, report will be made in accordance with the provisions of § 185.486. When the completed Form 1520 has been delivered to the storekeeper-gauger, he will verify the entries made by the proprietor, sign Form 1520, execute his report on each copy of Form 206, and attach a copy of Form 1520 to each copy of Form 206. He will retain one copy of each form and deliver the remaining four copies of each form to the proprietor of the warehouse, unless the spirits are to be reduced in proof, in which event the forms will be retained by the storekeeper-gauger until the packages have been regauged after reduction.

(Secs. 2885, 2886, I. R. C.)

§ 185.742 *Reduction in proof.* Upon request of the owner, distilled spirits contained in distiller's original packages may be reduced in proof to not less than 90 degrees for exportation, by the addition of pure water only, after the packages have been regauged as provided in § 185.741. The spirits will be reduced by the proprietor of the bonded warehouse in the presence and under the supervision of the storekeeper-gauger. Only such addition of water may be made to the body of the spirits in any package as the natural wantage of the package at the time of withdrawal will allow, but in no case shall the spirits be reduced to less than 90 degrees proof. No introduction of water will be permitted which

would require the withdrawal of any portion of the contents of the packages either before or after reduction. Any transfer of spirits from one package to another for the purpose of reduction is forbidden.

(Secs. 2885, 2886, I. R. C.)

§ 185.743 *Gauge after reduction.* After the spirits in the distiller's original packages have been reduced, the storekeeper-gauger will again gauge the packages and report the details thereof on Form 1520, in quintuplicate. Any unusual loss ascertained by the gauge after reduction must be satisfactorily explained by the proprietor and reported in accordance with the provisions of § 185.486. Each such report of gauge shall have noted thereon the statement "Gauge after reduction," and a copy thereof shall be attached to each copy of Form 206, in addition to the copy of Form 1520 covering the withdrawal gauge. After the spirits have been so reduced and gauged, the storekeeper-gauger will execute his report on all copies of Form 206, retain one copy with Forms 1520 attached, and deliver the four remaining copies to the proprietor of the warehouse. The packages, after reduction, shall be marked as provided in § 185.754.

(Secs. 2885, 2886, 2901, I. R. C.)

§ 185.744 *Export stamps required.* Every package of distilled spirits intended for exportation must have an export stamp affixed thereto at the time of its removal from the bonded warehouse. Such stamps shall be purchased at a cost of 10 cents each by the proprietor of the warehouse from the collector of internal revenue of the collection district in which the warehouse is located.

(Secs. 2885, 2886, I. R. C.)

§ 185.745 *Remittance for export stamps.* The proprietor of the bonded warehouse will forward all copies of Form 206, with Form 1520 attached, to the collector, together with remittance in acceptable form for the necessary number of export stamps.

(Secs. 2885, 2901, 3656, I. R. C.)

§ 185.746 *Action by collector.* If the remittance is sufficient to cover the cost of the export stamps, the collector will issue the necessary number of export stamps and note the serial numbers of the export stamps on Form 1520. The collector will retain one copy of each Form 206 and 1520 and send three copies thereof, with the export stamps, to the proprietor of the warehouse.

(Secs. 2885, 2886, 2901, I. R. C.)

§ 185.747 *Application and bond to district supervisor.* The proprietor of the bonded warehouse shall forward to the district supervisor all copies of the receipted Form 206, with Forms 1520 attached, together with a proper bond, executed in accordance with §§ 185.190-185.209 and 185.748-185.752, except that when an approved continuing bond (Form 657 or 658), in a sufficient penal sum, is on file in district supervisor's office, applications covering exportations

thereunder need not be accompanied by an export bond.

(Secs. 2885, 2886, 3170, I. R. C.)

§ 185.748 *Export bonds.* Bonds covering the exportation of distilled spirits may be executed by the owner of the spirits in sufficient penal sums, on one of the forms described in § 185.749, § 185.750, § 185.751 or § 185.752, as the case may be.

(Secs. 2885, 2886, 3170, I. R. C.)

§ 185.749 *Direct export, Form 547.* If the bond is intended to cover a specific lot of spirits withdrawn for direct exportation, it shall be executed on Form 547, in triplicate. The penal sum of such bond shall be not less than the tax at the distilled spirits rate on the quantity of spirits contained in the packages to be withdrawn for exportation, as shown by the report of regauge.

(Secs. 2885, 2886, 3170, I. R. C.)

§ 185.750 *Continuing bond, direct export, Form 657.* If distilled spirits are to be withdrawn for direct exportation from time to time on one bond, a continuing bond, Form 657, in triplicate, shall be filed. The penal sum of such bond shall be sufficient to cover the tax at the distilled spirits rate on the maximum quantity of distilled spirits that may remain unaccounted for at any one time, but in no case shall the penal sum be less than \$1,000. Distilled spirits withdrawn for exportation under direct export bonds shall remain unaccounted for until satisfactory proof of landing abroad is filed with the district supervisor in accordance with § 185.787 or § 185.791, or until satisfactory proof of loss at sea without fault or neglect of the owner or shipper has been submitted in accordance with § 185.796, and claim for remission of the tax on the spirits so lost has been allowed by the Commissioner.

(Secs. 2885, 2886, 3170, I. R. C.)

§ 185.751 *Transportation for export, Form 548.* If the spirits are to be withdrawn for transportation for export and a bond is to be given only for the spirits regauged for that purpose, it shall be executed on Form 548, in triplicate. The penal sum of such bond shall be not less than the tax at the distilled spirits rate on the quantity of spirits regauged for exportation.

(Secs. 2885, 2886, 3170, I. R. C.)

§ 185.752 *Continuing bond, transportation for export, Form 658.* If spirits are to be withdrawn for transportation for export from time to time on one transportation for export bond, a continuing bond, Form 658, in triplicate, shall be executed. The bond will be executed in a penal sum sufficient to cover the tax at the distilled spirits rate on the maximum quantity of distilled spirits that may remain unaccounted for at any time, but in no case shall the penal sum be less than \$1,000. Distilled spirits withdrawn for transportation for export shall remain unaccounted for until satisfactory proof of clearance of the spirits from the port of export is filed with the district supervisor in accordance with § 185.784 or § 185.785.

(Secs. 2885, 2886, 3170, I. R. C.)

§ 185.753 *Approval of bond and application.* The district supervisor will examine the bond, and if it is properly executed as provided in Subpart H, and in a sufficient penal sum, computed as prescribed in § 185.749, § 185.750, § 185.751, or § 185.752, as the case may be, he shall note his approval thereon, retain one copy, forward one copy to the Commissioner and deliver one copy to the principal. If the owner and the proprietor of the warehouse have complied with the law and this part and the application is complete in all respects, the district supervisor shall execute his permit for removal and transportation of the spirits on all copies of Form 206 and forward them to the storekeeper-gauger in charge of the warehouse.

(Secs. 2885, 2886, 3170, I. R. C.)

§ 185.754 *Marking, branding, and stamping casks.* Upon receipt by the storekeeper-gauger of Form 206 with the permit executed by the district supervisor, the proprietor shall deliver the export stamps to the storekeeper-gauger who shall verify the data thereon with his retained copy of Form 1520, and, if no discrepancies are found, he will affix his signature, or the facsimile thereof, to the stamps and return them to the proprietor who shall proceed to affix and cancel them in the manner provided for the affixing and canceling of taxpaid stamps. The proprietor will cut or brand into the Government head of each package withdrawn for export, in letters and figures not less than one-half inch in height, the date of withdrawal, the proof and tare ascertained at time of withdrawal, the number of the export stamp, and the proof gallon contents as then ascertained. When spirits are withdrawn from a warehouse other than that in which originally deposited, the number of the warehouse and the state in which located will be cut or burned into the head of the package in addition to the original marks placed on the package. The names of the ports from and to which the spirits are to be exported will be marked on the heads of the packages. Where metal packages are used, all of the foregoing marks will be plainly and durably stenciled on the Government head. Such cutting, marking, or branding of export marks on the head will be as follows:

EXPORT

Withdrawn Oct. 30, 1932

I. R. B. W. 4 N. Y.

P. G. T. -----

P. G. -----

Export Stamp No. 600

[STAMP]

From Brooklyn, N. Y.

To Shanghai, China

(Secs. 2885, 2886, I. R. C.)

§ 185.755 *Release of spirits.* After the packages have been properly stamped, marked, and branded, the storekeeper-gauger will release them for delivery to the exporter named in the application. Upon removal of the spirits, the storekeeper-gauger will execute his report of removal on Form 206.

(Secs. 2885, 2886, I. R. C.)

§ 185.756 *Delivery to carrier.* If the spirits are withdrawn from a bonded warehouse located elsewhere than at the port of exportation, the exporter will deliver the shipment to a carrier for transportation to the port of exportation. He shall procure a copy of the bill of lading covering such transportation and deliver it to the storekeeper-gauger at the bonded warehouse. The spirits must be consigned to the collector of customs of the port of export, and must be properly described in the bill of lading by serial numbers, kind, and quantity.

(Secs. 2885, 2886, I. R. C.)

§ 185.757 *Delivery directly for customs inspection.* Where the spirits are withdrawn from a bonded warehouse located at the port of exportation, the exporter will deliver the shipment directly for customs inspection and supervision of lading. A copy of the export bill of lading shall be procured and filed with the district supervisor for attachment to the copy of Form 206 retained by him.

(Secs. 2885, 2886, I. R. C.)

§ 185.758 *Exportation through border port, etc.* In case of exportation through a border port to contiguous foreign territory, the bill of lading will cover the transportation of the spirits to their destination, and must show the routing, particularly as to the carrier which will deliver the shipment for customs inspection at the border. The shipment must be consigned in care of the collector of customs or deputy collector of customs at the border port. The exporter shall deliver one copy of the bill of lading to the storekeeper-gauger at the bonded warehouse. In case of transportation of the spirits from a bonded warehouse, located elsewhere than at the port of exportation, for shipment by vessel, the exporter shall furnish a copy of the transportation bill of lading and a copy of the export bill of lading to the district supervisor for attachment to the copy of Form 206 retained by him.

(Secs. 2885, 2886, I. R. C.)

§ 185.759 *Disposition of forms.* When the packages have been delivered and the exporter has furnished a copy of the bill of lading, the storekeeper-gauger will forward immediately a complete set of the forms (206, 1520, and bill of lading) to the district supervisor, forward one copy each of Forms 206 and 1520 to the collector of customs at the port of exportation, and deliver one copy each of Forms 206 and 1520 to the proprietor for transmittal to the exporter. The exporter will execute his request for customs inspection on Form 206 and file such form with Form 1520 attached with the collector of customs at the port of exportation.

(Secs. 2885, 2886, 3170, I. R. C.)

§ 185.760 *Records.* Upon removal of the packages from the bonded warehouse, the storekeeper-gauger shall record the quantity removed on his monthly return, Form 1513.

(Sec. 2915, I. R. C.)

No. 104—10

PACKAGES FILLED FROM DISTILLER'S ORIGINAL PACKAGES

§ 185.761 *Application and entry.* Whenever an owner desires to transfer distilled spirits from distiller's original packages to new packages for exportation, he shall execute application on Form 206, in quintuplicate, as provided in § 185.738. By the term "new packages" is meant any suitable packages into which the contents of original packages are transferred for exportation.

(Secs. 2885, 2886, I. R. C.)

§ 185.762 *Request for regauge.* After the application has been fully executed on Form 206, the proprietor will follow the procedure in § 185.740 prescribed for the withdrawal for exportation in distiller's original packages.

(Secs. 2885, 2886, I. R. C.)

§ 185.763 *Inspection.* The storekeeper-gauger will examine the application, inspect the packages and, unless there are indications of tampering, will release the packages for consolidation or change of package. A gauge tank may be used in consolidating or changing packages for export.

(Secs. 2885, 2886, 2901, I. R. C.)

§ 185.764 *Change of package.* Distilled spirits in distiller's original packages may be transferred from one package to one or more new packages, or the contents, or portions of the contents, of two or more packages may be transferred to one new package. The proprietor of the warehouse must so arrange the contents of the new packages that no residue of spirits will be left in any of the distiller's original packages from which the contents are transferred. The transfer of the contents of the old packages to the new packages shall be made by the proprietor under the immediate supervision of the storekeeper-gauger.

(Secs. 2885, 2886, I. R. C.)

§ 185.765 *Mixing of spirits.* The contents of two or more original packages may not be transferred to a new package unless the contents of the old packages are of the same kind and quality, and were produced at approximately the same proof by the same distiller at the same distillery on or about the same date and stored in the same kind of cooperage under the same conditions.

(Secs. 2885, 2886, I. R. C.)

§ 185.766 *New packages to be gauged.* After the transfer of the spirits to new packages has been completed, the storekeeper-gauger will gauge such packages. The details of the gauge will be entered on Form 1520, in quintuplicate. The notation "Filled for export from Packages Nos. _____" (the serial numbers of the original packages being inserted), shall be made on all copies of Form 1520 to distinguish such form from the Form 1520 prepared by the proprietor. A copy of Form 1520, covering the gauge of the new packages, will be attached to each copy of Form 206, in addition to the copy of Form 1520 prepared by the proprietor.

(Secs. 2885, 2886, I. R. C.)

§ 185.767 *Rinsing of packages and obliteration of marks and brands.* When the old packages have been emptied, and are not to be used for new consolidated packages, they will be thoroughly rinsed and all marks and brands promptly obliterated. Rinse water not used for reducing the proof of the spirits must be immediately destroyed in the presence of the storekeeper-gauger. If an old package is to be used for a new consolidated package, the old marks and brands shall be obliterated even though the original contents or a portion thereof is allowed to remain in the package, such retention being regarded as constructive transfer of spirits from the old package to the new package.

(Secs. 2885, 2886, I. R. C.)

§ 185.768 *Marks on new packages.* The new packages shall be marked and branded in accordance with § 185.399 and numbered in accordance with § 185.401.

(Secs. 2885, 2886, I. R. C.)

§ 185.769 *Storekeeper-gauger's report.* When the packages have been so marked and branded, the storekeeper-gauger shall execute his report on Form 206, retain one copy of the form, with Forms 1520 attached, and deliver the remaining copies to the proprietor of the warehouse.

(Secs. 2885, 2886, I. R. C.)

§ 185.770 *Remittance for export stamps.* The proprietor of the warehouse will forward all copies of Form 206, with Forms 1520 attached, to the collector, with remittance for the necessary number of export stamps.

(Secs. 2885, 2886, 2901, I. R. C.)

§ 185.771 *Action by collector.* The collector will issue the necessary number of export stamps, and note the serial numbers of the export stamps on the Form 1520 covering the gauge of the new packages. The collector will retain one copy of each form (206 and 1520) and send three copies thereof, with the export stamps, to the proprietor of the warehouse, in accordance with § 185.746.

(Secs. 2885, 2886, 2901, I. R. C.)

§ 185.772 *Subsequent procedure.* The procedure for filing bond, the stamping, marking, and branding, and removal of the packages, the disposition of the forms, and the recording of the removal, will be the same as that prescribed in §§ 185.747 to 185.760, for distilled spirits to be exported in distiller's original packages.

(Secs. 2885, 2886, 3170, I. R. C.)

EXPORTATION OF BOTTLED DISTILLED SPIRITS

§ 185.773 *Application and bond.* Whenever it is desired to withdraw bottled distilled spirits from the storage portion of the bonded warehouse or from the bottling-in-bond department, either for direct exportation or for transportation for export, the owner shall execute application on Form 206, in quadruplicate, in accordance with § 185.738. The request for regauge will not be executed. The applicant shall forward all copies of Form 206 to the district supervisor, together with a properly executed ex-

port bond in a sufficient penal sum, computed as prescribed in §§ 185.749-185.752, except that the application need not be accompanied by a bond if the applicant has on file with the district supervisor an approved continuing bond (Form 657 or 658) in a sufficient penal sum.

(Secs. 2905, 3170, I. R. C.)

§ 185.774 *Approval of bond and application.* The district supervisor will examine the bond and if it is properly executed and in a sufficient penal sum to cover the tax on the spirits contained in the cases, he shall note his approval thereon, retain one copy, send one copy to the Commissioner and deliver one copy to the principal. In cases where the exporter has on file a continuing bond executed on a prior date, under which the exportation is to be made, the district supervisor will determine whether such bond is of sufficient penal sum to cover the tax on the spirits specified in the application as well as any spirits previously removed for export thereunder and unaccounted for. If the owner and the proprietor of the warehouse have complied with the law and this part, the district supervisor shall execute his permit for removal and transportation of the spirits on all copies of Form 206 and forward them to the storekeeper-gauger in charge of the warehouse.

(Secs. 2905, 2910, 3170, I. R. C.)

§ 185.775 *Removal of cases for exportation.* Upon receipt of Form 206, approved by the district supervisor, the storekeeper-gauger shall release the cases for exportation. Upon removal thereof from the bottling-in-bond department or from the storage portion of the warehouse, the storekeeper-gauger shall execute his report of removal on Form 206. The spirits, when released for exportation, must be consigned to the collector of customs at the port of export, and must be properly described in the bill of lading by serial numbers, kind, and quantity. The exporter shall deliver two copies of the bill of lading to the storekeeper-gauger. One copy of Form 206 will be retained by the storekeeper-gauger, one copy thereof with a copy of the bill of lading will be forwarded to the district supervisor, one copy with a copy of the bill of lading will be forwarded to the collector of customs at the port of exportation and one copy will be delivered to the proprietor for transmittal to the exporter. The exporter will execute his request for customs inspection on Form 206 and file such form with the collector of customs at the port of exportation.

(Secs. 2905, 2910, I. R. C.)

§ 185.776 *Records.* When the spirits have been removed either from the storage portion of the warehouse or from the bottling-in-bond department, the storekeeper-gauger shall make appropriate entries on Form 1513, and the proprietor on Form 52C.

(Sec. 2904, I. R. C.)

WOODEN PACKAGES CONTAINING METALLIC CANS

§ 185.777 *General.* Distilled spirits may be exported in wooden packages, each containing two or more metallic

cans, which cans shall each have a capacity of not less than 5 gallons.

(Sec. 2878, I. R. C.)

§ 185.778 *Exportation of packages containing metallic cans.* Application on Form 206 shall be made promptly by the owner of the spirits for the removal of the packages from the bonded warehouse for exportation. The procedure prescribed in this subpart covering the withdrawal of distiller's original packages shall be applicable to the withdrawal of packages containing metallic cans, except that no regauge will be made in the bonded warehouse prior to the removal of the packages for exportation, and for this reason the request for regauge on Form 206 need not be executed by the proprietor of the warehouse.

(Secs. 2885, 2886, 2915, I. R. C.)

PROCEEDINGS AT PORTS OF EXPORT

§ 185.779 *Notice to collector of customs of arrival of spirits for exportation.* When distilled spirits withdrawn for direct export or transportation for export arrive at the port of export, the exporter or his agent shall execute his request for customs inspection on the Form 206 delivered to him by the proprietor of the warehouse and file such copy together with the attached Form 1520, if any, with the collector of customs. If Form 206 is properly completed and accompanied by Form 1520, when required, the collector of customs shall execute his order, both on the copy of Form 206 received from the exporter and on the copy received from the storekeeper-gauger, directing an inspector of customs or other customs officer to inspect the packages or cases described in Form 206 and Form 1520, if any, and to supervise the scalping and destruction of the export stamps on packages, as provided in § 185.781, and the lading of the spirits. Both copies of Form 206 and Form 1520, if any, shall be delivered to the inspector of customs or other customs officer. In the case of distilled spirits withdrawn for transportation for export the exporter shall file an export-entry on Form 691 with the collector of customs after the inspection and lading of the spirits.

(Secs. 2885, 2886, 2905, I. R. C.)

§ 185.780 *Lighterage or drayage under supervision.* Immediately upon the arrival of the spirits at the port of export, the exporter or his agent shall notify the collector of the port in order that (a) lighterage and drayage may be done under the collector's supervision, (b) the spirits may be at once inspected and laden on board the vessel, and (c) they may be in continuous customs custody from the time they are delivered from the cars or other conveyances until they leave port on the foreign-bound vessel.

(Secs. 2885, 2886, 2905, I. R. C.)

§ 185.781 *Bulk containers.* Distilled spirits in casks, or in cases containing metallic cans, shall be carefully gauged by a customs officer and a detailed report of such gauge shall be made on Form 696, in duplicate. In preparing the report, the customs officer shall make entries thereon as to each package in ac-

cordance with the column headings, and, if there is a material discrepancy as to any package, shall attach to the Form 696 a statement as to the nature and apparent cause of the loss. A copy of the report of gauge will be attached to each copy of Form 206 and Form 1520, if any, and delivered to the collector of customs, as provided in § 185.783. There shall be cut out of each export stamp that portion upon which is shown the serial number of the stamp, the date of issue, the name of the collector issuing the same, the serial number of the cask or package, the contents in proof gallons, and the name of the internal revenue storekeeper-gauger. The cut-out portions of the export stamps shall then be attached to one copy of Form 206 for delivery to the collector of customs. After the export stamps have been scalped, the portions thereof remaining on each cask or package shall be obliterated.

(Secs. 2885, 2886, I. R. C.)

§ 185.782 *Bottled spirits.* A customs officer at the port of export will in every instance carefully inspect cases containing spirits for the purpose of ascertaining whether the cases bear evidence of tampering or have sustained losses in transit due to breakage. The officer will report on Form 206 any cases as to which a discrepancy is found, giving the serial numbers of the cases, their original contents in proof gallons, and the nature of the discrepancy as to each case. When the officer has completed his inspection and report as prescribed above, the entire shipment may be laden without detention of the deficient cases, unless the circumstances indicate fraud, in which event such cases will be detained pending investigation by the district supervisor, to whom the detention should be immediately reported.

(Sec. 2905, I. R. C.)

§ 185.783 *Return of inspection and lading.* After the spirits have been duly laden on board the exporting vessel, car, or truck the customs officer shall execute his report on Form 206 and forward all copies to the collector of customs, together with Forms 1520 and Form 696 in the event the shipment was composed of bulk containers.

(Secs. 2885, 2886, 2905, I. R. C.)

§ 185.784 *Disposition of forms by collectors of customs.* Upon receipt of the duly executed forms, the collector of customs will execute his certificate on Form 206 and will forward the copy of such form bearing the cut-out portions of the export stamps and one copy of Forms 1520 and Form 696, if any, to the district supervisor of the district in which is located the warehouse from which the spirits were removed for exportation.

(Secs. 2885, 2886, 2905, 3170, I. R. C.)

§ 185.785 *Exportation in railroad cars or trucks from port of entry through another port.* Where distilled spirits are to be exported by rail or in trucks through a frontier port and it is desired to avoid the delay of customs inspection and gauge at such port, the spirits may be entered for exportation at an interior customs port and inspected and gauged

by a customs officer at that port. The inspecting customs officer will supervise the loading of the spirits and seal the car or truck with customs seals and note the car number or license number of the truck, as the case may be, and the serial numbers of the customs seals, if numbered seals are used, in his report on both copies of Form 206 and forward the forms with Forms 1520 attached together with a copy of the bill of lading to be furnished by the exporter to the collector of customs. The collector will forward both copies of Forms 206 and 1520 to the customs officer at the frontier port and retain the bill of lading and the cut-out portions of the export stamps, if any, pending return of Forms 206. If the customs officer at the frontier port finds upon arrival of the car or truck that the seals are intact and there is no evidence of tampering with the contents, he will execute his report on Form 206, and allow the car or truck to proceed to its destination without opening. The officer will then return both copies of the receipted Form 206 with Form 1520 attached to the collector of customs at the port of entry. If, however, the customs officer finds that the seals are not intact or there is evidence of tampering with the contents, he will open the car or truck, inspect and gauge the spirits, and make report of his gauge on Form 696, in duplicate. When the spirits are so inspected and gauged, the customs officer will append to each copy of Form 206 (with Form 1520 attached, if any) a copy of his gauge on Form 696 before forwarding the forms to the collector of customs at the port of entry. Upon receipt of Forms 206 and Forms 1520 and 696, if any, from the customs officer at the frontier port, the collector at the port of entry will execute his certificate on both copies of Form 206, properly modified, and forward one copy of each form and the cut-out portions of export stamps from package (if any) to the district supervisor of the district from which the spirits were withdrawn from the warehouse.

(Secs. 2885, 2886, 2905, 3170, I. R. C.)

§ 185.786 Subsequent procedure. Where distilled spirits are withdrawn and shipped under an export bond, the requirements of §§ 185.787-185.792, must be observed. Where the spirits are withdrawn under a transportation for export bond, the exporter must file with the collector of customs bond on Form 693 and proof of actual landing of the spirits at the foreign port, as provided in § 185.735.

(Secs. 2885, 2886, 2905, I. R. C.)

§ 185.787 Proof of landing. Every owner exporting distilled spirits, free of tax, under an export bond shall file with the district supervisor, within 6 months from the date of exportation, or such additional time as may be granted under § 185.792, evidence satisfactory to the district supervisor that the distilled spirits described in the application for export have been landed at some port outside the jurisdiction of the United States. The landing certificate must give such description as will readily identify the spirits to which it relates.

(Secs. 2885, 2905, 3170, I. R. C.)

PROCEEDINGS AT PORTS OF EXPORT

§ 185.788 Form of landing certificate. The landing certificate shall be in substantially the following form:

Port of _____, 19____
I, _____, of _____ do hereby certify that the merchandise hereinafter described, shipped by _____ at the port of _____, on board the _____ on or about the _____ day of _____, 19____, has been landed at this port from on board the _____ on or about the _____ day of _____, 19____.

Number and kind of containers	Serial numbers	Kind of spirits	Quantity (proof gallons)

(SEAL)
Subscribed and sworn to before me this _____ day of _____, 19____.

(SEAL)

(Name)

(Title)

(Secs. 2885, 2905, I. R. C.)

§ 185.789 Execution of landing certificate. The landing certificate shall be signed by a revenue officer of the foreign country to which the spirits are exported, unless it is shown that such country has no customs administration, in which event the certificate shall be signed by the consignee or by the vessel's agent at the place of landing and sworn to before a notary public or other officer authorized to administer oaths and having an official seal. Where the certificate offered is in a foreign language, a sworn translation must accompany the certificate.

(Secs. 2885, 2905, I. R. C.)

§ 185.790 Landing certificate may cover several consignments. Where several consignments are made by the same shipper to the same consignee, or to a general agent, on the same date, by the same vessel or other conveyance, and to the same foreign port, such consignments may be covered by one landing certificate, provided each consignment is specifically and separately described in the certificate.

(Secs. 2885, 2905, I. R. C.)

§ 185.791 Collateral evidence of landing. Whenever an owner is unable to procure a landing certificate but is able to establish by collateral evidence the actual exportation of the spirits and their delivery to the foreign consignee, he may file application for relief with the district supervisor holding the export bond. Such application must be under oath and must recite the facts connected with the exportation, the date of withdrawal of the spirits from the internal revenue bonded warehouse for exportation, the name and registered number of the internal revenue bonded warehouse from which withdrawn, the name and registered number of the producing distiller, the serial numbers of the packages or cases, the kind and quantity of spirits, the name of the consignee, and the name of the vessel by and the port to which shipment was made. The application must set forth the reason why a landing certificate cannot be filed and must be

supported by such collateral evidence of exportation and delivery to the foreign consignee as the exporter may be able to submit. The application must be submitted to the district supervisor before the expiration of the time specified in § 185.787 for furnishing evidence of landing.

(Secs. 2885, 2905, I. R. C.)

§ 185.792 Extension of time for submitting proof of landing. In case the owner, from causes beyond his control, is unable to furnish the required proof of landing within six months from the date of exportation, he may make application to the district supervisor for an extension of time for the production of such evidence. Such application must state specifically the cause of failure to produce the evidence and be verified under oath. An extension of three months may be granted by the district supervisor, and, if necessary, upon a second application an additional three months may be granted.

(Secs. 2885, 2905, I. R. C.)

§ 185.793 Account with export bonds, Forms 657, 658, 547 and 548. The district supervisor will keep an account on Form 1688, "District Supervisor's Account of Withdrawals of Liquors for Exportation, Free of Tax," with each continuing export bond on Form 657 or Form 658 and with each specific export bond on Form 547 or Form 548. The account shall show all of the information as indicated in the heading and by the various columns and as required by instructions issued in respect thereto and by this part.

(Secs. 2885, 2886, 2905, 3170, I. R. C.)

LOSSES

§ 185.794 Loss at sea. Section 2885, I. R. C., provides that the bond required to be given for the exportation of distilled spirits shall be canceled upon presentation of satisfactory proof that, after shipment, the spirits were lost at sea without fault or neglect of the owner or shipper thereof.

§ 185.795 Action by district supervisor. If, upon examination of Forms 206, 696 and 1520 received from the collector of customs, a loss in transit is disclosed, the district supervisor will follow the procedure prescribed by §§ 185.480-185.496 insofar as applicable.

(Secs. 2885, 2886, I. R. C.)

§ 185.796 Proof of loss at sea. When the exporter is unable to furnish proof of landing at a foreign port in consequence of loss at sea, he shall file with the district supervisor with whom he filed the export bond, an application for relief, setting forth fully the cause and extent of the loss, and all the facts and circumstances surrounding the same. Such application must be accompanied by the affidavits of two or more creditable and disinterested persons as to the loss. If the spirits were insured, the exporter shall also file certificates by officers of the insurance company, or board of underwriters, that the insurance has been paid, and, that to the best of their knowledge and belief the spirits were actually destroyed at sea. When obtainable, affidavits must be furnished by the master and mate of the vessel, detailing the cause and extent of the loss and all

of the facts and circumstances surrounding the same. Such proof shall be furnished to the district supervisor within the time specified in § 185.787, for furnishing proof of landing of the spirits in a foreign country. The district supervisor will forward the application and supporting evidence to the Commissioner with his recommendation.

(Secs. 2885, 2905, I. R. C.)

§ 185.797 *Filing proof of loss at sea in case of exportation under bond on Form 693.* Where the spirits are exported under a bond furnished on Form 693 and the exporter is unable to furnish the required proof of landing at a foreign port in consequence of loss at sea, he will file application for relief and supporting evidence conforming to the provisions of the preceding section with the collector of customs with whom the bond was filed. The collector of customs will forward the application and supporting evidence to the Commissioner of Customs, with his recommendation thereon.

(Sec. 2886, I. R. C.)

EXPORTATION IN TANK CARS

§ 185.798 *Kind of spirits.* Under the law, distilled spirits of a proof strength of not less than 180 degrees intended for export, free of tax, may be drawn from receiving cisterns at any distillery, or from storage tanks in any internal revenue warehouse, for transfer to tank cars for export.

(Sec. 2888, I. R. C.)

§ 185.799 *Procedure applicable.* Where it is desired to export distilled spirits in tank cars pursuant to the above provisions of law, the procedure relating to the exportation of distilled spirits in distiller's original packages, in so far as applicable, shall apply. The tank cars must be so constructed that all openings may be securely closed and sealed. An export stamp shall be procured and affixed to the route board of each tank car of spirits intended for export in the same manner as an export stamp is affixed to a package of spirits to be exported, and upon inspection of the tank car at the port of export such stamp shall be scalped and disposed of in accordance with § 185.781.

(Sec. 2888, I. R. C.)

GENERAL PROVISIONS

§ 185.800 *Certificate of origin.* In view of the fact that entry of distilled spirits at ports in certain foreign countries is permitted only upon the filing by the importer of an official certificate showing the origin and age of such spirits, district supervisor with whom export withdrawal entries are filed may, in such cases, furnish the exporter with a certificate showing the origin and age of the spirits described in the entry for withdrawal, so far as may be determined from the marks and brands on the packages or cases containing the spirits. Such certificates shall be furnished in typewritten form on official letterheads.

§ 185.801 *Shipment to American possessions.* The provisions of this subpart relating to the exportation of distilled spirits, free of tax, to foreign countries and the forms prescribed for use in con-

nection therewith, shall apply to like removals and shipments to Puerto Rico, Guam, American Samoa, the Virgin Islands, and the Panama Canal Zone. Distilled spirits shipped to other possessions of the United States, and to Hawaii and Alaska, must be tax paid before withdrawal from bonded warehouses, unless transferred in bond to an internal revenue bonded warehouse located in one of these territories or possessions.

(Secs. 3351, 3361, 3650, I. R. C.)

§ 185.802 *Exportation of spirits after expiration of bonded period not permitted.* Except as to spirits which were 8 years of age, or older, on July 26, 1936, and remain in warehouse, district supervisors will decline to approve applications for the exportation of distilled spirits which have remained in warehouse after the expiration of the 8-year bonded period prescribed by law. In such cases, the district supervisor will indorse his disapproval across the face of the application and return the disapproved application, together with the bond, to the owner. At the same time the district supervisor will inform the proprietor of the warehouse in which the spirits are stored that the bonded period has expired and demand the immediate tax payment and withdrawal of the spirits.

(Sec. 2879, I. R. C.)

§ 185.803 *Delay in lading at port.* If the exporting vessel is not prepared to receive distilled spirits withdrawn for export upon arrival at the port of exportation, the collector of customs may permit such spirits to remain in possession of the carrier for a period not exceeding 15 days. Storage elsewhere for a like cause, and not exceeding the same period, may be approved by the collector of customs. In the event of further delay, the facts will be reported to the Commissioner of Internal Revenue, who will issue appropriate instructions concerning the disposition of the spirits.

(Secs. 2885, 2886, 2905, I. R. C.)

SUBPART II—SUPPLIES FOR CERTAIN VESSELS AND AIRCRAFT

§ 185.815 *General.* Distilled spirits in packages and in cases which have been bottled in bond for export may be withdrawn from internal revenue bonded warehouse free of tax for use as supplies on the following vessels and aircraft:

(a) Vessels of war, in ports of the United States, of any nation which may reciprocate such privilege toward the vessels of war of the United States in its ports;

(b) Vessels employed in the fisheries or in the whaling business, or actually engaged in foreign trade or trade between the Atlantic and Pacific ports of the United States or between the United States and any of its possessions;

(c) Aircraft registered in the United States and actually engaged in foreign trade or trade between the United States and any of its possessions; and

(d) Aircraft registered in any foreign country and actually engaged in foreign trade or trade between the United States and any of its possessions, where such trade by foreign aircraft is permitted,

and where the Secretary of the Treasury shall have been advised by the Secretary of Commerce that he has found that such foreign country allows, or will allow, substantially reciprocal privileges in respect of aircraft registered in the United States.

(Secs. 309 (a), Tariff Act of 1930 (19 U. S. C. 1309))

§ 185.816 *Procedure.* Application to remove distilled spirits in packages and in cases bottled in bond for export from internal revenue bonded warehouses for use as supplies on vessels or aircraft will be made on Form 206. The procedure prescribed in §§ 185.738-185.772, as it relates to the withdrawal of packages from internal revenue bonded warehouse for exportation, is hereby made applicable to the withdrawal of packages for use as supplies on vessels or aircraft. The procedure prescribed in §§ 185.773-185.775 relating to the transfer and withdrawal of spirits bottled in bond for export, is hereby made applicable to the transfer and withdrawal of bottled spirits free of tax for use as supplies on vessels or aircraft.

(Secs. 309 (a), Tariff Act of 1930 (19 U. S. C. 1309))

§ 185.817 *Bond.* Distilled spirits which are to be withdrawn from internal revenue bonded warehouses free of tax for use as supplies on vessels or aircraft must be covered by a bond on Form 547 or Form 657. Such bonds will be executed in the same manner as bonds for distilled spirits withdrawn free of tax for exportation, but must be accompanied by consent of surety, Form 1533, specifically stipulating that the terms thereof will cover distilled spirits withdrawn for use as supplies on vessels or aircraft. Exporters who have on file bonds on Form 657 covering the exportation of distilled spirits, and who desire to withdraw spirits free of tax from an internal revenue bonded warehouse for use as supplies on vessels or aircraft, may file a consent of surety containing a similar stipulation, provided that such bonds are of sufficient penal sum.

(Secs. 309 (a), Tariff Act of 1930 (19 U. S. C. 1309))

§ 185.818 *Export entry.* Before the spirits may be laden on the vessel or aircraft, the owner must file Form 206 with the collector of customs. The provisions of §§ 185.779, 185.780, and 185.782-185.784, will be observed insofar as applicable.

(Secs. 309 (a), Tariff Act of 1930 (19 U. S. C. 1309))

§ 185.819 *Evidence of use as supplies on vessels and aircraft.* If the distilled spirits were laden on board a vessel or aircraft for use as ship's supplies or supplies for aircraft, there must be submitted to the district supervisor, within six months (or such additional extensions of time as may be granted by the district supervisor or the Commissioner), an affidavit of the master or other officer of the vessel or aircraft on which the spirits were laden, having knowledge of the facts, showing that the spirits have been used on board the vessel or aircraft, and that no portion thereof has been

unladen in the United States or any of its possessions: *Provided*, That in the case of any shipment, no affidavit will be required if the amount of tax does not exceed \$25.00. In the case of vessels of war, such affidavit will not be required.

(Secs. 309 (a), Tariff Act of 1930 (19 U. S. C. 1309))

§ 185.520 Account with bond, Form 657. The district supervisor will keep an account with each bond, Form 657, similar to that kept for distilled spirits exported free of tax. In cases where exportations free of tax and withdrawals free of tax for use as supplies on vessels or aircraft are made under the same bond, only one account covering both transactions need be kept. Upon receipt of satisfactory evidence of the use of the spirits as supplies, the bond will be credited with the quantity so reported.

(Sec. 309 (a), Tariff Act of 1930 (19 U. S. C. 1309))

§ 185.821 Records. When spirits are withdrawn for use as supplies on vessels or aircraft, the quantity so removed will be reported on Form 1513.

(Sec. 309 (a), Tariff Act of 1930 (19 U. S. C. 1309))

SUBPART JJ—TRANSFER OF DISTILLED SPIRITS TO CUSTOMS MANUFACTURING BONDED WAREHOUSES

§ 185.825 General. Any manufacturer who manufactures medicines, preparations, compositions, perfumeries, cosmetics, and cordials and other liquors, for export, at a duly constituted manufacturing bonded warehouse established in accordance with law, may withdraw distilled spirits in distiller's original packages from any internal revenue bonded warehouse, free of tax, for use in the manufacture of such products. The law provides that distilled spirits may be removed from internal revenue bonded warehouses without payment of tax and transported to bonded manufacturing warehouses, class 6, to be rectified, or reduced in proof and bottled, and exported or shipped to Puerto Rico.

(Secs. 2891, 3177, 3178, I. R. C.)

§ 185.826 Withdrawal of packages. When any manufacturer, who is the proprietor of a customs manufacturing bonded warehouse, desires to remove distiller's original packages of distilled spirits to such warehouse from an internal revenue bonded warehouse, free of tax, for use in the manufacture of medicines, preparations, compositions, perfumeries, cosmetics, and cordials and other liquors, for export, or, in the case of spirits rectified or reduced in proof and bottled, for export or shipment to Puerto Rico, he shall execute application, Form 206, in quintuplicate, in accordance with the applicable provisions of § 185.738, indicating thereon that the spirits are to be withdrawn for transfer to a customs manufacturing warehouse. The proprietor of the internal revenue bonded warehouse from which the spirits are to be removed shall execute request on Form 206 for regauge of the packages covered by the application. The provisions of § 185.741, relating to the gauging

of distiller's original packages for exportation, shall so far as applicable apply to packages to be removed to customs manufacturing warehouses.

(Secs. 2891, 2901, I. R. C.)

§ 185.827 Bond. The manufacturer shall execute a bond to cover the transportation of the spirits from the internal revenue bonded warehouse from which withdrawn to the customs manufacturing bonded warehouse. If the bond is to cover a specific lot of spirits, it shall be executed on Form 643, in triplicate, and in a penal sum sufficient to cover the tax at the rate prescribed by law on the spirits to be so transported. If it is desired to furnish bond under which spirits may be withdrawn from time to time, it shall be executed on Form 1618, in triplicate, in a penal sum sufficient to cover the tax at the rate prescribed by law on the maximum quantity of spirits which may be outstanding against the bond at any one time. The bond and the application, Form 206, with report of gauge, Form 1520, attached, will be forwarded to the district supervisor who will, upon approval, dispose of the bond and application as provided in § 185.753, in the case of the withdrawal of distilled spirits in distiller's original packages for exportation.

(Sec. 2891, I. R. C.)

§ 185.828 Account with bonds, Form 1618 and Form 643. The district supervisor will keep an account on Form 1687, "District Supervisor's Account of Transfers of Liquors to Customs Manufacturing Bonded Warehouse" with each continuing bond on Form 1618 and with each specific bond on Form 643. The account shall show all information as indicated in the heading and by the various columns and as required by instructions issued in respect thereto and by this part.

(Secs. 2891, 2901, I. R. C.)

§ 185.829 Stamps, marks and brands; disposition of forms. The packages must be stamped, marked and branded in accordance with § 185.754 except that the name of the port to which the spirits are consigned for deposit in a manufacturing warehouse will be substituted for the names of the ports from and to which the spirits are to be exported. Forms will be disposed of in accordance with § 185.759.

(Secs. 2808, 2891, I. R. C.)

§ 185.830 Consignment of spirits. The spirits when withdrawn for shipment must in all cases be consigned to the proprietor of the manufacturing bonded warehouse, in care of the collector of customs of the district in which the warehouse is located.

(Sec. 2891, I. R. C.)

§ 185.831 Regauge and deposit in customs manufacturing warehouse. Upon receipt of Forms 206 and 1520, the collector of customs will direct the proper officer to inspect and gauge the spirits upon their arrival at the warehouse, and to supervise their deposit therein. The officer will make a report of his gauge on Form 696, in duplicate, seal the ex-

port stamps and attach them to one copy of the form, supervise the deposit of the spirits in the warehouse, execute his certificate on Customs Form 3923, in duplicate, and forward the forms to the collector of customs, who will execute his certificate on Form 3923 and forward one copy of each form with the scalped stamps and one copy each of Form 206 and Form 1520 to the district supervisor of the district from which the spirits were received. If there is a material discrepancy as to any package, the inspecting officer will attach to the Form 696 a statement as to the nature and cause of the loss.

(Secs. 2891, I. R. C.)

§ 185.832 Action by district supervisor. Upon receipt of Forms 3923, 696, 206, and 1520 from the collector of customs, the district supervisor will ascertain whether there has been a loss of spirits from the packages when in transit. If such a loss of spirits has occurred, the district supervisor will follow the procedure prescribed in §§ 185.480 through 185.496, insofar as applicable. If there has been no loss of spirits in transit, the district supervisor will, if the spirits were withdrawn on a continuing bond on Form 1618, make appropriate entries on Form 1687, or, if the withdrawal was made under bond on Form 643, cancel such bond in accordance with the provisions of § 185.338 and make appropriate entries on Form 1687.

(Secs. 2891, 2901, I. R. C.)

SUBPART KK—WITHDRAWAL OF DISTILLED SPIRITS FOR USE OF THE UNITED STATES

§ 185.840 Persons entitled to make withdrawals. Distilled spirits stored in internal revenue bonded warehouses and purchased for the use of the United States may be withdrawn, free of tax, by the head of the department, or the head of the bureau or establishment not under control of any department, for which the spirits are purchased.

(Sec. 3331, I. R. C.)

§ 185.841 Application, Form 543. The head of the department or independent bureau or establishment, as the case may be, desiring to so withdraw such distilled spirits free of tax will file application on Form 543, signed by himself or another official duly authorized by him. Where the head of a department or independent bureau authorizes another officer to sign the application he will furnish the Commissioner of Internal Revenue with a copy of the order authorizing such officer to sign, or other evidence of the authority conferred upon the officer. The application will be forwarded to the Commissioner.

(Sec. 3331, I. R. C.)

§ 185.842 Permit, Form 1508. Upon receipt of the application, permit on Form 1508, in quintuplicate, will be issued by the Commissioner and the original and three copies will be forwarded to the Government official by whom the application was signed, who in turn shall detach a copy and forward the original and the two remaining copies to the contractor or warehouse-

man to whom the spirits are to be delivered for shipment to the designated Government official. Upon approval of the bond, Form 544, pursuant to the provisions of § 185.843, the warehouseman shall furnish the original and the two copies of the Form 1508 to the storekeeper-gauger at the warehouse.

(Sec. 3331, I. R. C.)

§ 185.843 *Bond, Form 544.* The contractor or the warehouseman will file with the district supervisor a bond on Form 544, in triplicate, in a penal sum not less than the tax on the spirits to be withdrawn. Upon approval of the bond, the district supervisor will forward one copy to the Commissioner and one copy to the principal, and will retain the remaining copy.

(Sec. 3331, I. R. C.)

§ 185.844 *Form 1520.* If the spirits to be withdrawn are in packages, the warehouseman will prepare an original and four copies of the Form 1520 in the manner prescribed in § 185.601. The storekeeper-gauger at the warehouse will, upon presentation of the Form 1520 and the original and two copies of permit, Form 1508, verify by reference to his records the entries in the heading of Form 1520 and the details of the entry gauge transcribed thereto and, if no discrepancies are found, regauge the spirits, enter the weights and proofs found on regauge on the Form 1520 and return it to the warehouseman for completion. Upon completion the Form 1520 will be returned to the storekeeper-gauger for verification and signature. Where the inspection or gauge discloses packages bearing evidence of tampering or unusual losses that cannot be satisfactorily accounted for, the storekeeper-gauger will immediately submit a narrative report thereof to the district supervisor.

(Secs. 2901, 3331, I. R. C.)

§ 185.845 *Form 1519.* If the spirits to be withdrawn were previously bottled in bond, the warehouseman will present the original and two copies of the permit, Form 1508, to the storekeeper-gauger together with an application on Form 1519, in quintuplicate, modified to indicate the type of withdrawal, executed by the principal on the bond Form 544, for withdrawal of the spirits. The storekeeper-gauger will inspect the cases and follow the procedure, insofar as applicable, prescribed by § 185.844. If any cases appear to have sustained a loss, the contents shall be examined and the quantity ascertained to have been lost from each case shall be noted on each copy of Form 1519.

(Secs. 2901, 3331, I. R. C.)

§ 185.846 *Forwarding of forms.* Upon completion of the regauge or inspection, the storekeeper-gauger will forward the original and two copies of the permit, Form 1508, and one copy of Form 1520 or 1519, as the case may be, direct to the district supervisor.

(Sec. 3331, I. R. C.)

§ 185.847 *Supervisor's order to deliver spirits.* If the bond has been approved, the district supervisor, upon receipt of

the original and two copies of the permit, Form 1508, and the copy of Form 1520 or 1519 from the storekeeper-gauger, will execute his order on Form 1508 directing the storekeeper-gauger to deliver the spirits to the person named in the order, and will forward all copies of the Form 1508 and Form 1520 or Form 1519 to the storekeeper-gauger: *Provided,* That where inspection of any package or case discloses evidence of tampering or unusual loss as provided in §§ 185.844 or 185.845, the procedure prescribed in §§ 185.480 through 185.496 will be followed.

(Sec. 3331, I. R. C.)

§ 185.848 *Delivery of spirits.* Upon receipt from the district supervisor of the original and two copies of the Form 1508 and Form 1520 or Form 1519 by the storekeeper-gauger, the spirits will be delivered as provided in the order of the district supervisor, after the containers have been properly marked. The proprietor will cut or brand into the Government head of each package withdrawn for the use of the United States the proof and tare ascertained at time of gauge for withdrawal and will also stencil on the Government head in letters and figures not less than one-half inch in height the date and purpose of withdrawal, the number of proof gallons as then ascertained, and the storekeeper-gauger's name, title, and district. Cases will have stenciled thereon the words "Use of U. S.," followed by the date of withdrawal. There will also be plainly marked on each package or case, by means of a stencil or securely affixed label, the name, title, and address of the Government official to whom the spirits are to be consigned. When delivery of the spirits has been made, the storekeeper-gauger will note over his signature on Form 1508, in the space provided therefor, the name of the person to whom the spirits were delivered and the date of delivery, and will retain one copy of the Form 1508 and one copy of Form 1520 or Form 1519, deliver one copy of each to the warehouseman, forward one copy of the Form 1520 or Form 1519 to the Government official to whom the spirits are to be delivered at destination, and forward the original of the permit, Form 1508 with Form 1520 or Form 1519 attached, to the district supervisor. If the bond was given by a person other than the warehouseman, a copy of Form 1520 or Form 1519 may be furnished to such person.

(Sec. 3331, I. R. C.)

§ 185.849 *Bill of lading.* Where the spirits are transported from the warehouse by a carrier, the person to whom the spirits are delivered for shipment shall furnish a copy of the bill of lading covering transportation of the spirits from the point of shipment to final destination, to the storekeeper-gauger, who will forward the same to the district supervisor with Form 1508 and Form 1520 or Form 1519.

(Sec. 3331, I. R. C.)

§ 185.850 *Certificate, Form 545.* Receipts of shipments of spirits withdrawn for use of the United States under this part shall be promptly certified to on

Form 545, in duplicate, by the official representative of the United States or Governmental agency thereof to whom deliveries of such shipments are made. Where inspection at destination discloses a loss in transit in excess of one proof gallon as to any package, such loss will be noted on each copy of Form 545 by the receiving officer who will also specify the serial number of each such package, the loss ascertained as to each, and whether the condition of the package when received indicated that the loss was due to theft, or to other cause. Similar notations will be made by the receiving official on Form 545 where inspection of shipments of spirits withdrawn in cases reveals any loss in transit.

(Sec. 3331, I. R. C.)

§ 185.851 *Disposition of Form 545.* The certificate on Form 545, in duplicate, duly executed by the receiving officer to whom the spirits are delivered and countersigned by the head of the department or independent bureau or establishment in interest, shall be forwarded within 30 days from the date of the withdrawal of the spirits to the district supervisor from whose district the withdrawal was made. The district supervisor will note on Form 545 the quantity of spirits shown by the withdrawal papers to have been withdrawn for shipment. If Form 545 shows a loss of spirits in transit upon which a claim for remission of the tax is required to be filed in accordance with the provisions of § 185.482, the district supervisor will forward a copy of the Form 545 to the Commissioner with the claim and his recommendation, otherwise the district supervisor will forward a copy of the form to the Commissioner and will retain one copy of Form 545.

(Sec. 2901, I. R. C.)

SUBPART LL—WITHDRAWAL OF BRANDY FOR FORTIFICATION OF WINE

§ 185.855 *Kinds of spirits.* Brandies made exclusively from grapes, citrus fruits (except lemons and limes), peaches, cherries, berries, apricots, prunes, plums, pears, pawpaws, papayas, pineapples, cantaloups, or apples, or from the products or the residues of such fruits and berries, or from grape wine, citrus fruit wine, peach wine, cherry wine, berry wine, apricot wine, prune wine, plum wine, pear wine, pawpaw wine, papaya wine, pineapple wine, cantaloup wine, or apple wine in the manufacture of which artificial sweetening may have been used under the limitations prescribed in Regulations 7, "Wine" (26 CFR, Part 178), or the fruit pomace residuum of such grape wine, may be withdrawn from internal revenue bonded warehouses for the fortification of wine.

(Secs. 3031, 3033, I. R. C.)

WITHDRAWAL IN PACKAGES

§ 185.856 *Application, Form 257.* Where it is desired to remove brandy in packages from an internal revenue bonded warehouse for the fortification of wine, application will be made by the winemaker on Form 257, "Application for the Removal of Brandy for Fortification of Wine from Fruit Distilleries and Internal Revenue Bonded Warehouses."

The winemaker shall state in the application the penal sum of the bond, Form 700-A. The same application may not include brandy produced by different distillers, nor two or more lots to be removed from the same bonded warehouse at different times, except where the warehouse is contiguous to the winery as provided in § 185.461. The application shall be filed in triplicate where the winery and the bonded warehouse are in the same supervisory district, and in quadruplicate, where they are in different districts. Where the premises are located in the same supervisory district and the bond of the winemaker is given in the maximum penal sum of \$50,000, Form 257, will be submitted to the storekeeper-gauger if one is located at the winery, or at a contiguous fruit distillery or internal revenue bonded warehouse, as the case may be. If no storekeeper-gauger is located at such premises, the application will be submitted at the discretion of the district supervisor, to a designated storekeeper-gauger in the vicinity of the bonded winery. The district supervisor will notify each storekeeper-gauger designated to approve Forms 257 and advise him that the winemaker's bond is given in the maximum penal sum of \$50,000. He will notify each winemaker concerned where Forms 257 are to be submitted to a storekeeper-gauger. All other Forms 257, that is, (a) those covering intradistrict removals where the bond of the winemaker is in the maximum penal sum but no storekeeper-gauger has been designated to approve Forms 257, (b) those covering intradistrict removals where the bond of the winemaker is not in the maximum penal sum, and (c) those covering interdistrict removals, will be submitted direct to the supervisor of the district in which the winery is located.

(Secs. 3031, 3033, I. R. C.)

§ 185.857 *Action on application, Form 257—(a) By district supervisor.* If the application is in order, the quantity of brandy to be withdrawn is not in excess of the applicant's current needs or of the storage capacity of the fortifying room and the bond of the winemaker is sufficient to cover the brandy to be procured, the district supervisor will (1) where the warehouse is in the same district, execute his certificate on the form and send all three copies to the proprietor of the internal revenue bonded warehouse; and (2) where the warehouse is located in another supervisory district, execute his certificate on the form and send all four copies to the supervisor of such district, who will send all four copies to the proprietor of the internal revenue bonded warehouse from which the brandy is to be removed. If a storekeeper-gauger is not located at the internal revenue bonded warehouse, the supervisor of the district in which the warehouse is located will designate a storekeeper-gauger to gauge the brandy. If the application is not in order, the supervisor of the district in which the bonded winery is located will return all copies to the winemaker.

(b) *By storekeeper-gauger.* Upon receipt of Form 257 by the storekeeper-gauger, he will compare the penal sum

of the bond as stated in the application with the statement furnished by the district supervisor pursuant to § 185.856. If the bond of the winemaker is given in the maximum penal sum of \$50,000, the application is in proper order, and the quantity of brandy to be withdrawn is not in excess of the applicant's current needs or of the storage capacity of the fortifying room, he will certify to the sufficiency thereof on Form 257. He will send all copies of Form 257 to the proprietor of the internal revenue bonded warehouse from which the brandy is to be removed. If the application is not in order he will return all copies to the winemaker.

(Secs. 3031, 3033, I. R. C.)

§ 185.858 *Gauge of brandy.* The proprietor, upon receipt of Form 257, will execute his description of the brandy to be gauged on all copies of the form and will, if the brandy to be removed is in previously filled packages, prepare Form 1520 in the manner prescribed in § 185.601. The proprietor will prepare four copies of the report of gauge, Form 1520, where the brandy is to be removed at one time to the fortifying room of a contiguous winery, five copies in all other instances where brandy is to be removed to a winery located in the same supervisor district, and six copies where the winery is located in another district. He will refer the forms to the storekeeper-gauger assigned to the warehouse or to the storekeeper-gauger designated by the district supervisor pursuant to § 185.857, as the case may be. Where the certificate of sufficiency of the winemaker's bond was executed by a storekeeper-gauger and no storekeeper-gauger is assigned to the warehouse, the proprietor will request the district supervisor to designate one to gauge and release the brandy. The storekeeper-gauger will, by reference to his records, verify the entries in the heading of Form 1520 and the details of the entry gauge transcribed thereto. If the packages were previously filled they will be regauged, unless withdrawn on the original gauge as provided in § 185.564. The proprietor will cut or brand on the Government head the proof and tare ascertained at time of withdrawal and will stencil thereon the date of withdrawal, the words "For Fortification of Wine," and the storekeeper-gauger's name, title, and supervisory district. The storekeeper-gauger will enter the weights and proofs found on regauge on Form 1520 and return the form to the proprietor for completion. Upon completion the Form 1520 will be returned to the storekeeper-gauger for verification and signature. Where the inspection discloses packages bearing evidence of theft, or unusual losses of contents that cannot be satisfactorily accounted for, the storekeeper-gauger shall immediately notify the district supervisor of all facts in the case in accordance with the provisions of § 185.486 and will detain the packages pending receipt of instructions from the district supervisor. He will attach one copy of Form 1520 to each copy of Form 257 and will note on the extra copies of Form 1520 the name, registered number, and address of the winery to which the

brandy is to be shipped. No greater quantity of brandy may be gauged or withdrawn than stated in the application. If the brandy to be removed is contained in storage tanks, the designated packages, after they have been filled and gauged, will be marked and branded in accordance with § 185.399, serially numbered in accordance with § 185.401, and in addition will have placed thereon the markings required in this section. In such cases Form 1520 will be prepared and completed by the storekeeper-gauger.

(Secs. 3031, 3033, I. R. C.)

§ 185.859 *Warehouse and winery on contiguous premises.* Where the warehouse and winery are located on contiguous premises, and the storekeeper-gauger at the warehouse is charged with supervising the deposit of the brandy in the fortifying room, he will, upon deposit of the brandy, execute his certificates of gauge and removal and receipt on all copies of Form 257, retain one copy, with Form 1520 attached, at the warehouse and one copy at the winery, and forward one copy to the district supervisor. The extra copy of Form 1520 will be delivered to the warehouseman.

(Secs. 3031, 3033, I. R. C.)

§ 185.860 *Warehouse and winery not on contiguous premises.* Where the warehouse and winery are not located on contiguous premises, and the storekeeper-gauger at the warehouse is not charged with supervising the deposit of the brandy in the fortifying room of the winery, he will, upon removal of the brandy, execute his certificate of gauge and removal on all copies of Form 257, retain one copy with a copy of Form 1520 attached, and immediately forward the remaining copies (two or three, as the case may be), with a copy of Form 1520 attached to each, to the winemaker. The storekeeper-gauger will forward one of the extra copies of Form 1520 to the district supervisor and will deliver one copy to the warehouseman. When the brandy is received at the winery the officer detailed to duty thereat will examine the packages, supervise their deposit in the fortifying room, and complete and dispose of the forms in accordance with the provisions of Regulations 7 (26 CFR, Part 178).

(Secs. 3031, 3033, I. R. C.)

§ 185.861 *Gauging officer's certificate of monthly deposits in contiguous wineries.* If the warehouse and winery are located on contiguous premises and brandy is to be transferred to the winery from time to time during the month under the supervision of a storekeeper-gauger, the winemaker's application on Form 257 may cover all brandy to be transferred to the winery during the month. If the storekeeper-gauger gauging the brandy supervises its transfer to and deposit in the fortifying room, he will certify to the deposit on each copy of Form 1520 as the brandy is deposited, attach one copy thereof to each copy of Form 257, forward one of the extra copies of Form 1520 to the district supervisor, and deliver one copy to the warehouseman. At the close of the month

the storekeeper-gauger will execute his certificate of gauge and removal and receipt on Form 257, retain one copy thereof, with a copy of each Form 1520 attached, at the warehouse as a permanent record, and one copy, similarly completed, at the winery for the same purpose, and forward the other copy to the district supervisor.

(Secs. 3031, 3033, 3170, I. R. C.)

§ 185.862 Winery officer's certificate of monthly deposits in contiguous winery. Should a storekeeper-gauger be separately assigned to duty at the winery, the storekeeper-gauger at the warehouse will retain one copy of Form 257 and attach one copy of each Form 1520 thereto as the brandy is gauged, forward one of the extra copies of Form 1520 to the district supervisor, give one of such copies of Form 1520 to the warehouseman, and deliver the other two copies of Form 257 and Form 1520 to the storekeeper-gauger at the winery, who will certify to the deposit on Form 1520 as the brandy is received and deposited in the fortifying room, and attach a copy of Form 1520 to each copy of Form 257. At the close of the month the storekeeper-gauger at the warehouse will execute his certificate of gauge and removal on all three copies of Form 257, and the storekeeper-gauger at the winery will execute his certificate of receipt on all copies of the form. The forms will then be disposed of as provided in § 185.861.

(Secs. 3031, 3033, I. R. C.)

WITHDRAWAL BY PIPELINE

§ 185.863 Application, Form 257. Where it is desired to transfer brandy by pipeline from warehouse tanks to the fortifying rooms of wineries on contiguous premises, application will be made by the winemaker on Form 257, in triplicate, in the same manner as when brandy is to be transferred in packages, as prescribed in § 185.856. The district supervisor or the storekeeper-gauger, as the case may be, will execute his certificate on the form as prescribed in § 185.857, the warehouseman will indicate the brandy to be gauged, as prescribed in § 185.858, and the storekeeper-gauger designated to gauge the brandy will make his report of gauge and execute his certificate of gauge and removal and receipt and complete and dispose of Forms 257 and Forms 1520, as prescribed in the case of removal in packages. Notation of transfer by pipeline will be made by the storekeeper-gauger on each Form 1520.

(Secs. 2883, 3031, 4017, I. R. C.)

§ 185.864 Gauge of brandy. The brandy will be gauged in gauging tanks in the warehouse and run directly from such tanks to fortifying tanks or brandy storage tanks in the fortifying room of the winery, except that where no gauging tank is provided in the warehouse, the brandy may be gauged in a gauging tank in the fortifying room, in which case the brandy will be run direct from the storage tanks in the warehouse to the gauging tank in the fortifying room.

(Secs. 2883, 3031, I. R. C.)

§ 185.865 Fortifying room not having gauging tank. Where a gauging tank is not provided in the fortifying room, the

brandy may be transferred thereto by pipeline only for immediate use, and only in such quantities as are necessary to fortify a given lot of wine. In such cases the wine to be fortified will be run into the fortifying tank and the required quantity of brandy to fortify the wine will be gauged in the warehouse and run directly into the fortifying tank containing the wine.

(Secs. 2883, 3031, I. R. C.)

§ 185.866 Deposit in locked tanks. The pipeline must empty into a closed tank which will be locked with a Government lock while brandy is being discharged therein or remains therein. Where the brandy is run directly by pipeline into a fortifying tank such tank must be fitted with a locked cover. If, however, the gauging tank is located in the fortifying room, it is not necessary that the fortifying tank be fitted with a locked cover.

(Secs. 2883, 3031, I. R. C.)

§ 185.867 Supervision. The brandy will be transferred under the immediate supervision of the storekeeper-gauger. The officer supervising the deposit of brandy in the fortifying room of the winery will see that the pipeline is properly connected by the proprietor with the tank into which the brandy is to be transferred before the valve permitting the flow of brandy to such tank is opened. The storekeeper-gauger will also see that the valves controlling the flow of brandy into or out of tanks are locked with Government locks at all times, except when necessary to be open for the transfer of brandy. The keys will remain in the custody of the storekeeper-gauger, or, if no storekeeper-gauger is assigned to the warehouse or distillery, in the custody of the district supervisor or other officer designated by him. The officer will also see that no pipeline is used for the transfer of brandy unless it has been inspected and has been approved by the district supervisor.

(Secs. 2883, 3031, I. R. C.)

WITHDRAWAL IN TANK CARS

§ 185.868 Application, Form 257. Where it is desired to withdraw brandy from warehouse tanks for removal in tank cars to the fortifying room of a winery, application will be made by the winemaker on Form 257, in the same manner as when brandy is removed in packages, as prescribed in § 185.856 for withdrawal of packages. The district supervisor or the storekeeper-gauger, as the case may be, will execute his certificate on the form as prescribed in § 185.857, the warehouseman will indicate the brandy to be gauged as prescribed in § 185.858, and the storekeeper-gauger designated to gauge the brandy will make his report of gauge and execute his certificate of gauge and removal and dispose of Forms 257 and Forms 1520 as prescribed in the case of removal in packages. The storekeeper-gauger must note the kind of brandy on Form 1520. The winemaker will state on his application that the brandy is to be transported by tank car.

(Secs. 3031, 4017, I. R. C.)

§ 185.869 Tank car requirements. Railroad tank cars used to transport brandy for the fortification of wine must be constructed, marked, inspected, filled, and seal-locked in the same manner as railroad tank cars used to transport distilled spirits in bond, as provided in § 185.700. The key to each seal lock used in locking the tank car will be forwarded on the day of shipment by the storekeeper-gauger at the warehouse to the storekeeper-gauger, if any, at the winery. Where no officer is assigned at the winery regularly when the brandy is shipped, the district supervisor will direct that the keys be forwarded to him. All locks and keys will be returned by the officer at the winery to the warehouse from which the brandy was shipped.

(Sec. 3031, I. R. C.)

§ 185.870 Notation on Form 1520. When the tank car is shipped the storekeeper-gauger will enter on Form 1520 covering the gauge of brandy the name of the owner and the serial number of the car, the serial number of the lock seal or seals, the destination, and the date of shipment; for example: "Withdrawn in U. P. tank car No. 1643, lock seal No. 36437, for transfer to Winery No. 46, Los Angeles, Calif., for fortification of wine. Billed out 3:30 p. m. September 10, 1938."

(Sec. 3031, I. R. C.)

§ 185.871 Label to be attached. When brandy is shipped in bond in a railroad tank car to a winery for fortification of wine, a label, dated and signed by the storekeeper-gauger, showing that the brandy is shipped in bond for fortification, and giving the name, registry number, and location (city or town and State) of the warehouse from which shipped and the winery to which shipped, shall be securely attached to the route board of the car, where it may be readily examined by Government officers. The label, which will be furnished by the warehouseman, will be in substantially the following form:

Shipped in bond by
CALIFORNIA GRAPE COMPANY
I. R. B. W. No. 80, St. Helena, Calif., 14th Dist.
to
WESTERN WINE COMPANY
B. W. No. 50, Santa Rosa, Calif., 14th Dist.
For fortification of wine

(Date) (Storekeeper-gauger)
This label will be scraped and obliterated immediately the tank car is emptied.
(Sec. 3031, I. R. C.)

§ 185.872 Deposit of brandy in fortifying room. The examination of the tank car upon arrival at the winery, the unloading thereof, the gauging of the brandy unloaded, the preparation of the report of gauge, Form 1520, and the completion and disposition of Form 257 and Form 1520 by the storekeeper-gauger supervising the deposit of brandy in the fortifying room, will be in accordance with the provisions of Regulations 7 (26 CFR, Part 178).

(Sec. 3031, I. R. C.)

SUBPART MM—WITHDRAWAL OF RUM FOR DENATURATION

§ 185.880 *General.* Rum of not less than 150 degrees proof may be withdrawn from an internal revenue bonded warehouse located on the distillery premises, free of tax, for denaturation:

(a) By pipeline from warehouse storage tanks through gauging tanks to storage or mixing tanks in a denaturing bonded warehouse located on the distillery premises; or

(b) In original packages for transfer to a denaturing bonded warehouse located on the distillery premises where produced.

(Secs. 2883, 3070, I. R. C.)

§ 185.881 *Application, Form 573.* When the proprietor of a distillery denaturing bonded warehouse desires to withdraw from an internal revenue bonded warehouse located on the same distillery premises rum of not less than 150 degrees of proof for denaturation, he will file application therefor with the storekeeper-gauger in charge on Form 573, in triplicate. Where the rum to be transferred is in packages, such application will be accompanied by Form 1520, in triplicate, prepared in the manner prescribed in § 185.601. Where the rum is to be transferred from warehouse storage tanks to the denaturing bonded warehouse by pipelines, the applicant shall specify on Form 573 the maximum number of tax gallons to be so transferred.

(Secs. 2883, 3070, I. R. C.)

§ 185.882 *Sufficiency of bond.* Where the bond covering operation of a denaturing bonded warehouse is given in less than the maximum penal sum of \$100,000, the district supervisor will inform the storekeeper-gauger in charge of the penal sum of the bond, and the storekeeper-gauger will see that the quantity of spirits transferred to the denaturing bonded warehouse is within the limits of the bond.

(Sec. 3070, I. R. C.)

§ 185.883 *Report of gauge, Form 1520.* Upon receipt of the Form 1520 the storekeeper-gauger will verify by reference to his records, the entries in the heading thereof and the details of the entry gauge transcribed thereto. If the rum described in the application is in packages, a careful gauge thereof will be made, except that rum in original packages may be transferred to the denaturing bonded warehouse on the original gauge if such transfer is made within 30 days of the date of the original entry for deposit. The storekeeper-gauger will enter on Form 1520 the weights and proofs found on gauge, and will return the form to the proprietor for completion. Upon completion the Form 1520 will be returned to the storekeeper-gauger for verification and signature. Where packages of rum are transferred to the denaturing bonded warehouse on the original gauge the proprietor will copy the details of such gauge on Form 1520. When rum for denaturation is transferred in packages, a careful inspection of such packages

will be made prior to transfer, and where evidence of tampering or unusual loss is found the provisions of §§ 185.480 through 185.496, relative to losses of distilled spirits in bond will be followed. If the rum described in the application, Form 573, is to be transferred from warehouse storage tanks, it will be run into a gauging tank and carefully gauged except that where no gauging tank is provided in the warehouse, the rum may be gauged in a gauging tank in the denaturing bonded warehouse, in which case the rum shall be run direct from the storage tanks in the warehouse to the gauging tanks in the denaturing bonded warehouse. The Storekeeper-gauger will prepare Form 1520, in triplicate, and enter the details of the gauge thereon.

(Sec. 3070, I. R. C.)

§ 185.884 *Transfer of rum.* Upon completion of gauge, the storekeeper-gauger will permit the rum to be transferred. The proprietor will, under the supervision of the storekeeper-gauger and before removal, stencil upon the head of each package, in letters large enough to be easily read, "For Denaturation," date of removal, and name and title of storekeeper-gauger. Details of the gauge need not be cut or stenciled on the package.

(Sec. 3070, I. R. C.)

§ 185.885 *Supervision of transfers.* All transfers of rum from the internal revenue bonded warehouse to the denaturing bonded warehouse will be made under the immediate supervision of the storekeeper-gauger. Where rum is so transferred by pipeline, the storekeeper-gauger supervising the deposit of the rum in a storage or mixing tank in the denaturing bonded warehouse will see that the outlet and all other openings of such tank, except the inlet, are closed and locked and that the valves in the pipeline are so adjusted by the proprietor as to control the flow of spirits into the tank, before the outlet of the warehouse storage tank from which the rum is to be transferred is unlocked. When the rum has been deposited in the tank in the denaturing bonded warehouse the inlet of such tank and the outlet of the storage tank in the internal revenue bonded warehouse will be immediately closed by the proprietor and locked by the storekeeper-gauger. The storekeeper-gauger will not permit the transfer of rum from the internal revenue bonded warehouse to the denaturing bonded warehouse by pipeline unless the use of such pipeline has been approved in accordance with the provisions of this part.

(Sec. 3070, I. R. C.)

§ 185.886 *Disposition of Forms 573 and 1520.* Upon the transfer of the rum, the storekeeper-gauger will execute his certificate of gauge and transfer on each copy of Form 573, retain one copy of Form 573 with Form 1520 attached, deliver one copy of each to the warehouseman, and forward one copy of each to the district supervisor.

(Sec. 3070, I. R. C.)

SUBPART NN—BOTTLING-IN-BOND DEPARTMENT

SPIRITS TO BE BOTTLED FOR DOMESTIC PURPOSES

§ 185.890 *Spirits which may be bottled for domestic purposes.* Distilled spirits which have remained in bond in wooden containers for at least four years from the date of original entry, or, in the case of fruit brandy, four years from the date of original gauge, may be bottled in bond before tax payment at a proof of 100 degrees for domestic use. Reduction to the necessary degree of proof may be effected by the addition of pure water only. In determining the eligibility of spirits for bottling in bond for domestic purposes, whisky, brandy, rum, and other distilled spirits (other than gin) must have been stored continuously for at least four years in charred, recharred, plain, used, or re-used wooden cooperage so that the spirits have been in contact with the wood surface for the purpose of obtaining color or bringing about chemical changes which age and mature the spirits. Spirits (other than gin) which have been stored in wooden cooperage coated or lined with paraffin, or other substances, may not be bottled in bond. Gin to be bottled for domestic purposes must have been stored continuously for at least 4 years in wooden cooperage coated or lined with paraffin, or other substance, which will preclude contact of the spirits with the wood surface and prevent the absorption of wood color and flavor.

(Secs. 2903, 2904, I. R. C.)

§ 185.891 *Restrictions.* No operations pertaining to (a) transferring of spirits from the storage portion of the warehouse to the bottling-in-bond department, (b) gauging and dumping of spirits for bottling, (c) bottling, or (d) removal of shipping from the bottling-in-bond department shall be carried on during other than regular business hours in which the internal revenue bonded warehouse is operated.

§ 185.892 *Application and regauge.* Application for bottling distilled spirits in bond for domestic purposes will be made to the storekeeper-gauger in charge of the warehouse on Form 1515, in quadruplicate, which will be accompanied by Form 1520, in triplicate, prepared by the proprietor in the manner provided in § 185.601. Upon receipt of the application and the Form 1520 the storekeeper-gauger will, by reference to his records, verify the entries in the heading of Form 1520 and the details of the entry gauge transcribed thereto and after satisfying himself that the spirits are eligible for bottling in bond, inspect and weigh the packages. He will carefully examine each package for evidence of tampering or any unusual loss therefrom and will note the weight of each package on Form 1520 prior to removal of the spirits from the storage portion of the warehouse. In the event any package bears evidence of tampering or has lost weight unaccountably, the storekeeper-gauger will proof such package and complete the extensions for that

package on Form 1520. If the condition of any package, or its contents, is such that in the storekeeper-gauger's opinion it has been tampered with, he will make a report to the district supervisor as required by § 185.486 and will not permit the package to be removed pending receipt of instructions from the district supervisor. The Form 1515 may be amended to show deletion of any such package. If the spirits are to be transferred to the bottling-in-bond department by pipeline, the packages will be dumped in the bulk gauge tank in the warehouse. The storekeeper-gauger will make his gauge of the spirits, report the details thereof on the "Totals" line of the Form 1520 prepared by the proprietor, and complete his report on Form 1515. The storekeeper-gauger will enter in a space adjacent to the details of his gauge the words "Gauging Tank" and the number thereof. If the spirits are to be removed in packages to the bottling-in-bond department, the storekeeper-gauger in the warehouse will complete his certificate of removal for bottling on Form 1515. When the spirits have been released for transfer to bottling-in-bond department, all copies of the application and the Form 1520 will be furnished to the storekeeper-gauger assigned to the bottling-in-bond department in order that such officer may inspect the spirits prior to the bottling thereof. If the spirits are received in the bottling-in-bond department in packages, they will be dumped for bulk gauging in dumping and reducing or in bottling tanks. The storekeeper-gauger will make his gauge, either by weight or by volume, and will report the gauge on Forms 1520 and 1515 in the same manner as if the spirits had been gauged in the warehouse. He will at that time return the original of the Form 1520 to the storekeeper-gauger in charge of the warehouse. When the bottling is completed, the storekeeper-gauger will enter the details of the cases on Form 1515, forward one copy, with the Form 1520 attached, to the district supervisor, deliver one copy of each form to the proprietor, return one copy of Form 1515 to the storekeeper-gauger in charge of the warehouse, and file the remaining copy of Form 1515 in the bottling-in-bond department. He will at such time prepare Form 1620 to cover the deposit of the cases and such form will be filed as permanent record, as provided in § 185.1022.

(Secs. 2800, 2903, 2904, 4017, I. R. C.)

BOTTLING FOR EXPORTATION

§ 185.893 *Application and request for regauge.* Whenever an owner desires to remove distiller's original packages of distilled spirits from an internal revenue bonded warehouse for bottling in bond for exportation, he shall execute Form 1515, in quadruplicate. After the application on Form 1515 has been fully executed, the owner will deliver all copies thereof to the proprietor of the warehouse, who will execute his request for gauge of the spirits. The proprietor will prepare Form 1520, in triplicate, in the manner prescribed in § 185.601 and will deliver all copies of Forms 1515 and 1520 to the storekeeper-gauger in charge of

the warehouse. The requirements as to eligibility of distilled spirits to be bottled in bond for export and the mingling of such spirits for convenience in bottling are the same as those prescribed in §§ 185.890 and 185.901 for spirits bottled for domestic purposes, except that such spirits may be reduced by the addition of pure water only to not less than 80 degrees of proof, and gin may at any time within eight years after entry in bond be bottled in bond for export.

(Secs. 2903, 2904, 2910, I. R. C.)

§ 185.894 *Regauge of spirits.* Upon receipt of Forms 1515 and 1520 the storekeeper-gauger will, by reference to his records, verify the entries in the heading of Form 1520 and the details of the entry gauge transcribed thereto and will examine the application and request for gauge. If no discrepancies are found in the Form 1520 and the Form 1515 has been fully executed, and the spirits are eligible for bottling in bond for export, the procedure prescribed in § 185.892 will be followed.

(Secs. 2901, 2903, 2904, 2910, I. R. C.)

§ 185.895 *Bottled for exportation.* The spirits will be bottled, stamped, cased and marked in accordance with the provisions of subparts OO, PP and QQ of this part after which the spirits may be returned to the storage portion of the warehouse pending withdrawal for exportation or may be removed for immediate exportation after the filing and approval of Form 206 and proper bond, in accordance with the provisions of §§ 185.773 to 185.775. If the spirits are returned to the storage portion of the warehouse they need not be kept in a separate room or building, but shall be kept separate and apart from all other distilled spirits stored in the warehouse. Spirits removed from the bottling department for immediate exportation shall be considered as constructively returned to the warehouse. The storekeeper-gauger shall report on Form 1513, as deposited, all spirits bottled and either returned to the storage portion of the warehouse for temporary storage or removed from the bottling-in-bond department for immediate exportation.

(Secs. 2903, 2904, 2905, 2910, 2915, I. R. C.)

SUBPART OO—DUMPING, REDUCING AND BOTTLING

§ 185.900 *Prompt dumping of spirits required.* Spirits which have been gauged in a warehouse gauging tank for bottling in bond must be immediately transferred by pipeline and deposited in proper tanks in the bottling-in-bond department of the warehouse. Packages of spirits removed from the storage portion of the warehouse for bottling in bond must be immediately transferred to the bottling-in-bond department and their contents promptly dumped and gauged.

(Secs. 2903, 2904, I. R. C.)

§ 185.901 *Mingling of spirits.* Under the law distilled spirits of the same kind, differing only in proof, produced at the same distillery by the same distiller under the same name or style and during the same distilling season and year may

be mingled together for convenience in bottling in bond. Spirits which differ in kind may not be mingled together. Spirits which have been subjected to a quick-aging process may not be mingled with spirits which have not been quick-aged, nor may spirits which have been stored in different kinds of cooperage or under different conditions and are of different composition or character be mingled together. The law authorizes only the mingling together, for convenience in bottling, of spirits of the same kind, which differ only in proof, and prohibits the mingling of different products. Spirits mingled together in bottling must therefore be homogenous.

(Secs. 2903, 2904, I. R. C.)

§ 185.902 *Rinsing of barrels.* When spirits are dumped for bottling in bond, either in the warehouse gauging room or the bottling-in-bond department, the barrels and any wood chips contained therein must be thoroughly rinsed. The rinse water should be used to make any necessary reduction in the proof of the spirits dumped from the barrels. Any rinse water remaining after such reduction should be poured upon the ground or into a sewer; it may not be mixed with spirits dumped from other packages.

(a) *Disposition of chips.* Wood chips dumped from packages must be burned on the warehouse premises, or, if such burning is not practicable due to fire regulations, or to other valid reason, the chips must be treated with kerosene before removal thereof from the premises. Where kerosene is used, it must be sprayed or sprinkled on the materials, using not less than 1 gallon of kerosene to each 100 pounds of materials, in such manner as to preclude the abstraction of potable spirits from any part of the materials after removal from the premises. This will be effected by stirring or agitating the materials while the kerosene is being applied. Such burning or treating of materials must be done under the supervision of the storekeeper-gauger. The Commissioner may authorize any other disposition of the materials that will effectively prevent recovery of spirits therefrom.

(Secs. 2903, 2904, I. R. C.)

§ 185.903 *Destruction of marks and brands.* When packages of spirits are dumped for bottling, all marks and brands which such packages are required by law to bear, must be completely effaced and obliterated. This should be done immediately upon the completion of the dumping, draining, and rinsing of the packages, and the packages must be immediately removed from the bottling-in-bond department or the gauging room.

(Secs. 2866, 2903, 2904, I. R. C.)

§ 185.904 *Spirits in process of bottling.* The bottling of two or more lots of spirits at the same time in the same bottling room will not be permitted unless two or more complete bottling units are installed and bottling operations are so conducted as to prevent any commingling of different lots of spirits in process of bottling: *Provided*, That where one lot of spirits is in the process of bottling,

another lot, or lots, may be dumped and reduced and held in locked tanks until the process of bottling of the first lot has been completed. The process of bottling will be regarded as complete for the purpose of this section when the bottled spirits have been placed in the cases and the cases closed: *Provided further*, That the proprietor shall not dump more spirits than can be bottled expeditiously.

(Secs. 2903, 2904, I. R. C.)

§ 185.905 *Storage of spirits.* The bottling-in-bond department may not be used for the storage of distilled spirits in tanks or otherwise.

§ 185.906 *Bottling conducted under supervision.* The entire operation of bottling spirits in bond will be performed by the proprietor of the warehouse under the immediate supervision of the storekeeper-gauger. The storekeeper-gauger shall determine the proof of the spirits in the tank after reduction and thorough mingling by the proprietor, and prior to release for bottling, and make appropriate entries on Form 1515. Before filling bottles, the proof of spirits for domestic use shall be adjusted to 100 degrees. The proof of spirits for export purposes may be reduced to not less than 80 degrees. Adjusting the proof to tenths of a degree, either above or below the whole or complete degree, will not be permitted: *Provided*, That when spirits are being prepared for bottling in bond for export and are to be bottled and labeled in tenths of a degree of proof, such as 86.8, the proof of the spirits shall be adjusted to such tenths of a degree of proof. The proof in each instance shall be verified as to accuracy by the Government officer. While the storekeeper-gauger is charged with the duty of requiring compliance with the provisions of the law and regulations by the persons engaged in the various operations of bottling the spirits, his failure in any instance will not relieve the proprietor of the warehouse from responsibility.

(Secs. 2903, 2904, 4017, I. R. C.)

§ 185.907 *No substance to be added or subtracted.* No material or substance of any kind other than pure water may be added to distilled spirits bottled in bond, nor may any substance or material be subtracted from the spirits: *Provided*, That charcoal, sediment, or other like substances may be removed from the spirits by straining them through cloth, felt, or other like material. No method or process may be applied to alter or change in any way the original condition or character of the spirits, except as authorized by law.

(Secs. 2903, 2904, I. R. C.)

§ 185.908 *Permissible filtration.* Filtering which consists of merely removing foreign substances, such as particles of char, wood, dirt, or other extraneous, solid matter, that have got into the spirits since manufacture, and which does not change the original character of the spirits through removal of congeneric substances, or change the composition of the spirits, may be done in the bottling-in-bond department, since such filtering does not constitute rectification.

§ 185.909 *Use of filter aids.* Filter aids may be used only when they do not change the original character or composition of the spirits, either by the abstraction of any essential constituent or the addition of any substance. When filter aids are used, the district supervisor will cause samples of the spirits to be taken at infrequent intervals, before and after the use of the filter aids, for analysis to determine whether the use of such materials has resulted in a change in the original character or composition of the spirits.

§ 185.910 *Prohibited filtration.* Any filtering of distilled spirits which purifies or refines the same constitutes rectification and may be done only at a rectifying plant. The filtering out of cloudiness in whisky, gin, or other spirits, other than that due to the presence of finely pulverized or agglutinated charcoal or other extraneous, solid matter in suspension, which results in the removal of terpenes or congeneric substances from the spirits and changes their original composition, constitutes rectification.

(Secs. 2904, 3254, I. R. C.)

§ 185.911 *Separate Form 1515 for each lot.* If the spirits are dumped from packages or received by pipeline in a dumping, reducing, or dumping and reducing tank, Form 1515 for each lot will be attached to such tank, and when the spirits are transferred therefrom to the bottling tank, this form will be attached to the bottling tank where it must remain until bottling of the spirits has been completed. If the spirits are removed directly into the bottling tank, this form will be attached to such tank and will remain thereon until the bottling of the spirits has been completed. The spirits must be bottled expeditiously.

(Secs. 2903, 2904, I. R. C.)

§ 185.912 *Bottling tank to be used.* All distilled spirits to be bottled in bond must be transferred to an approved bottling tank. Prior to the transfer of the spirits to the bottling tank, and the opening of the inlet to the bottling tank, the storekeeper-gauger will lock the outlet to the tank, which must remain locked until the spirits have been transferred to the bottling tank, at which time the inlet will be locked, the proof and quantity of spirits in the bottling tank verified, and appropriate entry made on Form 1515. The inlet of the bottling tank will remain locked until all spirits within the tank have been bottled and the outlet has been locked. Whenever spirits are to be drawn from bottling tanks or transferred into or out of other tanks secured with Government locks, the storekeeper-gauger will open and close the locks but it shall be the duty of the proprietor to manipulate the stopcocks or valves controlling the flow of the spirits.

(a) *Unauthorized bottling forbidden.* Spirits may not be bottled from any vessel, tank, or receptacle, other than a designated and approved bottling tank, nor may spirits be bottled except under the immediate supervision of the storekeeper-gauger as required herein.

(Sec. 2904, I. R. C.)

§ 185.913 *Spirits remaining in tanks overnight.* Dumping, reducing, dumping and reducing, or bottling tanks, may not be used for the storage of spirits. If spirits are held in the bottling-in-bond department overnight, the tanks in which such spirits are contained must be locked by the storekeeper-gauger. At the conclusion of the process of drawing the spirits from the dumping, reducing, or dumping and reducing tank, to the bottling tank or tanks, the latter must be securely locked, as well as the inlets and outlets thereto, and so remain until the spirits are to be drawn off into bottles, which shall be done as promptly as possible.

(Secs. 2903, 2904, I. R. C.)

§ 185.914 *Removal of spirits bottled for domestic purposes.* Upon completion of bottling, the filled bottles, with labels and strip stamps properly affixed, must be placed in cases marked in accordance with Subpart PP of this part, and the filled cases then sealed, after which such cases must be immediately tax paid and removed, removed for any authorized tax-free purpose, or returned to the storage portion of the bonded warehouse: *Provided*, That the district supervisor may authorize the proprietor to remove to the storage portion of the warehouse, pending the receipt of orders involving affixing of brand labels or State stamps, cases temporarily secured by adhesive cloth tape or reinforced paper tape. The affixing of the bottled-in-bond strip stamps, the caution notices, and mandatory (Government) label information required by the regulations issued pursuant to the Federal Alcohol Administration Act (27 CFR, Part 5) will be performed at the time of bottling and before the goods are returned to the storage portion of the warehouse. However, if all of the mandatory information required by regulations issued pursuant to the Federal Alcohol Administration Act appears on the brand label in lieu of a separate label, the brand label must be affixed to the bottles before the goods are returned to the storage portion of the warehouse: *Provided further*, When orders are received for the spirits in cases temporarily sealed as provided herein, the cases must be returned to the bottling-in-bond department for affixing the brand label, or the State stamp, or both. At such time, the bottling operations, if any are in progress, must be temporarily discontinued until the work of attaching the brand label, or State stamp, or both, and permanent sealing of the cases has been completed.

(Secs. 2903, 2904, 4017, I. R. C.)

§ 185.915 *Losses or gains in bottling.* The loss or gain for each lot of distilled spirits bottled in bond (domestic or export) shall be entered by the storekeeper-gauger on Form 1513. Where the bottling of any particular lot of spirits results in a loss or gain of 2 percent or more in the quantity of spirits bottled, or where there is evidence of theft, the storekeeper-gauger will initiate an immediate investigation to determine the cause of the discrepancy and prepare a letter report, in triplicate, setting forth in detail all facts and circum-

stances in each case and will forward two copies of the report to the district supervisor with the gauge and bottling reports covering the lot of spirits in question.

(Secs. 2901, 2903, 2904, 4017, I. R. C.)

REMNANT CASES

§ 185.916 *Remnant cases of domestic spirits.* Where there is less than a case of bottled spirits remaining from a lot of spirits bottled, the remnant will be placed in a case constructed in the same manner as the cases described in § 185.951. The remnant case will be given the serial number of the last full case containing spirits in the same lot, followed by the letter "R", thus: "100-R" or "161-R". If the next lot of spirits dumped for bottling is of the same kind, produced by the same distiller, under the same name, at the same distillery during the same year and distilling season, the remnant case may be held in the bottling-in-bond department and used for filling a complete case, or the contents may be dumped into the bottling tank and mingled with such other spirits for bottling in bond for domestic purposes. Otherwise, the remnant case will be removed with the other cases from the bottling-in-bond department and appropriate entry made in the record. Such remnant case may be taxpaid for domestic consumption, or returned to the bottling-in-bond department when the next lot of spirits of the same kind, produced by the same distiller, under the same name, at the same distillery during the same year and distilling season is dumped for bottling and (a) the bottles used for filling a complete case, or (b) the contents dumped into the bottling tank and mingled with such other spirits for bottling in bond for domestic purposes. In all cases when a remnant is disposed of as heretofore provided, notation will be made on Forms 1515 and 1620 showing the disposition of such remnant.

(Secs. 2903, 2904, I. R. C.)

§ 185.917 *Remnants of low-proof spirits.* Remnants of spirits resulting from overflow in filling bottles, and spirits which have deteriorated in proof by evaporation or repacking of filters, may be returned, under the immediate supervision of the storekeeper-gauger, to the dumping, reducing, dumping and reducing tank, or bottling tank, containing the same or another lot of spirits of the same kind, produced by the same distiller, under the same name, at the same distillery during the same distilling season and year. Distilled spirits so returned to the dumping, reducing, dumping and reducing, or bottling tank will be reported on Form 1515 and Form 1513.

(Sec. 2904, I. R. C.)

§ 185.918 *Remnants of distilled spirits bottled in bond for export.* Where there is less than a case of bottled spirits remaining from a lot of spirits bottled in bond for export, the remnant will be placed in a case which must be marked and branded as prescribed by these regulations for marking cases of spirits bottled in bond for export, except as to the date of withdrawal and the names of the ports. If the next lot of spirits dumped

for bottling in bond for export, or for domestic purposes, is of the same kind, produced by the same distiller, under the same name, at the same distillery during the same year and distilling season, the remnant case may be held in the bottling-in-bond department and used for filling a complete case, or the contents, even though differing in proof, may be dumped into the bottling tank and mingled with such other spirits for bottling in bond for exportation, or for domestic purposes. Otherwise, the remnant case will be removed with the other cases from the bottling-in-bond department to the storage portion of the warehouse and appropriate entry made in the record. Such remnant case may be taxpaid for domestic consumption or may be returned from the storage portion of the bonded warehouse to the bottling-in-bond department when the next lot of spirits of the same kind, produced by the same distiller, under the same name, at the same distillery during the same year and distilling season is dumped for bottling in bond for exportation or for domestic purposes and the bottles used for filling a complete case or the contents, even though differing in proof, dumped into the bottling tank and mingled with such other spirits for bottling in bond for export or for domestic purposes.

(Secs. 2800, 2803, 2871, 2903, 2904, I. R. C., Sec. 505, 49 Stat. 1965, 27 U. S. C., 205)

§ 185.919 *Indicia bottles.* Liquor bottles conforming to § 185.924 must be used in the event the remnant is to be returned to the storage portion of the warehouse for taxpayment or for subsequent disposition as bottled-in-bond spirits for domestic consumption.

(Sec. 2871, I. R. C.)

§ 185.920 *Labels, stamps, marks, and brands.* The bottles must be properly labeled. Where export remnants are used for filling a complete case of spirits bottled in bond for domestic consumption, the export strip stamps must be replaced by the domestic bottled-in-bond stamps. Where export remnants are taxpaid, the export stamps on the bottles must be replaced by red strip stamps, purchased pursuant to Form 428, unless the spirits are 100 degrees proof and have remained in wooden containers as required by these regulations for at least four years from the date of original gauge as to fruit brandy, or original entry as to other spirits, in which event they may be stamped with domestic bottled-in-bond stamps. The removal of the export stamps and the affixing of the red strip stamps or the domestic bottled-in-bond stamps, as the case may be, will be under the immediate supervision of the storekeeper-gauger. Remnant cases must be marked and branded as required by Regulations 11 (26 CFR, Part 189) governing the bottling of taxpaid spirits or these regulations governing the bottling of spirits in bond for domestic purposes, as the case may be.

(Secs. 2803, 2903, 2904, I. R. C.)

§ 185.921 *Records.* In all cases where a remnant is disposed of as heretofore

provided, notation will be made on Form 1515, and Form 1620, showing the disposition made of such remnant.

§ 185.922 *Taxpayment of remnant cases bottled for export.* The tax will be paid on remnant cases removed for domestic consumption pursuant to application on Form 1519, properly modified for the purpose. Such remnants will be removed from the premises immediately upon taxpayment.

(Secs. 2800, 2903, 2904, I. R. C.)

§ 185.923 *Remnant cases of spirits bottled in bond for export returned to bottling-in-bond department.* When remnant cases of spirits bottled in bond for export are to be returned to the bottling-in-bond department from the storage portion of the warehouse for use in filling a complete case, they will be included in the application, Form 1515, covering the withdrawal of bulk containers for bottling for export.

(Secs. 2903, 2904, I. R. C.)

BOTTLES AND LABELS

§ 185.924 *Liquor bottles.* The proprietor must comply with the provisions of Regulations 13 (26 CFR, Part 175), respecting the use of properly marked liquor bottles. Spirits may be bottled in bond for domestic purposes in the following-sized bottles and no others: 1 quart, $\frac{1}{2}$ quart, 1 pint, $\frac{1}{2}$ pint, $\frac{1}{4}$ pint, $\frac{1}{8}$ pint, and, in the case of brandy, $\frac{1}{16}$ pint. Bottles must be filled as nearly as possible to conform to the amount stated on the stamp, label or bottle, to be contained therein, but in no event may the amount of spirits contained in any bottle, due to the lack of uniformity of the bottles, vary more than 2 percent from the amount stated to be contained therein and, further, in such case there shall be substantially as many bottles overfilled as there are bottles underfilled for each lot of spirits bottled as reported on Form 1515.

(Sec. 2871, I. R. C.)

§ 185.925 *Bottles for export.* Distilled spirits may be bottled in bond for export in the following-sized bottles and no others: 1 quart, $\frac{1}{2}$ quart, 1 pint, $\frac{1}{2}$ pint, and less than $\frac{1}{2}$ pint. Bottles of less than $\frac{1}{2}$ pint capacity may be of the size desired. Liquor bottles as defined in Regulations 13 (26 CFR, Part 175) may be used but will not be required in bottling distilled spirits in bond for export.

(Secs. 2871, 2905, I. R. C.)

§ 185.926 *Labels for distilled spirits for domestic consumption.* The labels used on bottles of distilled spirits for domestic consumption must be covered by a "Certificate of Approval of Labels of Domestically Bottled Distilled Spirits," or a "Certificate of Exemption from Label Approval for Distilled Spirits," as required by regulations issued under the Federal Alcohol Administration Act (27 CFR, Part 5). Labels covered by a certificate of exemption from label approval affixed to bottles of a capacity of $\frac{1}{2}$ pint or more but not exceeding 1 gallon, in which distilled spirits are packaged for sale at retail, must conform to the pro-

visions of Regulations 13 (26 CFR, Part 175).

(Sec. 2903, I. R. C., Sec. 505, 49 Stat. 1965, 27 U. S. C. 205)

§ 185.927 Certificate to be exhibited. All bottlers of distilled spirits are required to exhibit certificates of label approval, or certificates of exemption from label approval, upon demand to any internal revenue officer. Internal revenue officers will call upon the proprietor to exhibit the required certificates of label approval or certificates of exemption from label approval. The original certificate or duplicate original issued under the Federal Alcohol Administration Act must be exhibited to the officer. Photostatic copies are not acceptable for this purpose.

(Sec. 2903, I. R. C., Sec. 505, 49 Stat. 1965, 27 U. S. C. 205)

§ 185.928 Comparison of labels with contents of bottling tank. Before releasing spirits from bottling tanks for bottling, the Government officer will require the proprietor to submit to him the label he proposes to use for the spirits in the bottling tank, together with the certificate of label approval or the certificate of label exemption, as the case may be, and he will compare such label with the label affixed to such certificate to see that they agree in every respect except for the differences allowed by the certificate. He will then compare such label with Form 1515 to determine whether the label to be used corresponds in every respect with the spirits in the bottling tank, including age, class and type, and proof. In making this determination he will take into consideration the kind of spirits, the proof of distillation, the kind of cooperage in which the spirits were stored, and whether the spirits were treated with oak chips, etc., as disclosed by the marks and brands on the packages and entered on Form 1515. If the label and spirits agree in every respect, the Government officer will attach the label securely to the copy of Form 1515 to be attached to the bottling tank and release the spirits for bottling. If the label and spirits do not agree in every respect, the Government officer will withhold the release of the spirits for bottling until the proprietor submits to him a label and a certificate of label approval or exemption, as the case may be, correctly describing the spirits to be bottled.

§ 185.929 Additional label requirements. Officers assigned to bottling-in-bond departments of internal revenue bonded warehouses will also see that all labels affixed to containers of distilled spirits subject to the provisions of Regulations 13 (26 CFR, Part 175) conform to the requirements of such regulations. The methods prescribed in § 185.928 will be followed in making such determinations.

§ 185.930 Tests of bottled spirits. Officers assigned to bottling-in-bond departments will, at frequent, irregular intervals during the process of bottling, test and examine the bottled spirits to determine (a) whether the label attached is identical with the label verified

by the Government officer under § 185.928; (b) whether the bottled spirits agree in proof with the data on the label and stamp; and (c) whether the quantity agrees with the data on the label, stamp or bottle, subject to the limitation prescribed by §§ 185.924 and 185.925. The test as to quantity will be made (a) by the utilization of a glass graduate standardized at 60 degrees Fahrenheit to be provided by the proprietor or (b) by weighing a given number of empty bottles and reweighing the same bottles after filling. If the contents do not agree as to quantity (subject to the limitation of §§ 185.924 and 185.925) or as to proof (subject to a normal drop in proof occurring during bottling operations not to exceed three-tenths of a degree) with the respective data on the label, stamp or bottle, the Government officer will withhold release of the bottled spirits and require the proprietor to rebottle, recondition (where permissible), or relabel the spirits in such manner that the label will correctly describe the contents. However, the proof at the beginning of the bottling operations shall always be set exactly as provided in § 185.906.

§ 185.931 Proprietor's responsibility. Notwithstanding that Government officers assigned to bottling - in - bond departments of internal revenue bonded warehouses are required to verify labeling data, full responsibility rests upon the proprietor to see that the labeling of all spirits bottled at his plant is in conformity with the requirements of the Federal Alcohol Administration Act and regulations issued thereunder, and Regulations 13 (26 CFR, Part 175).

§ 185.932 Labeling of distilled spirits bottled for export. All bottles containing distilled spirits bottled in bond for export shall have securely affixed thereto a label showing the following information:

- (a) Kind of spirits;
- (b) Name of actual bona fide distiller, or the name of the individual, firm, partnership, corporation, or association in whose name the spirits were produced and warehoused;
- (c) The registry number of the distillery and State in which produced;
- (d) Proof of the spirits;
- (e) The words "Bottled in Bond for Export";
- (f) The name or trade name of proprietor of the warehouse (if desired);
- (g) The registry number of the internal revenue bonded warehouse and State in which bottled.

(Sec. 2905, I. R. C.)

§ 185.933 Caution notice. Every person bottling distilled spirits in bond, except for export, shall attach to each bottle filled by him a caution notice reading as follows:

This bottle has been filled and stamped under the provisions of sections 2903-2909, inclusive, Internal Revenue Code. Any person who shall reuse the stamp affixed to this bottle or remove the contents of this bottle without so destroying the stamp affixed thereto as to prevent reuse, or who shall sell this bottle, or reuse it for distilled spirits, will be liable to the penalties prescribed by law.

This notice shall be of convenient size for attachment to the bottle, shall be printed in plain, legible characters, with a border in a color contrasting with the color of the label, and shall be securely attached to the bottle. The type used in printing caution labels shall not be less than 6 point when used on bottles of 1 pint or more. When spirits are bottled for export, the proprietor may attach the caution notice to the bottles if he so desires, but he will not be required to do so.

(Sec. 2908, I. R. C.)

§ 185.934 Trade marks and distiller's name. The label which contains the trade-mark or special name which the owner may see fit to give to his spirits, or some additional label equally conspicuous, shall be affixed to such bottles of spirits for domestic purposes, and shall bear the real name of the actual bona fide distiller or the name of the individual, firm, partnership, corporation, or association in whose name the spirits were produced and warehoused, and the registry number of the distillery and State in which produced; the registry number of the warehouse and State in which bottled; and the name or trade-name of the proprietor of the warehouse (if desired). In addition thereto the labels must conform to the provisions of regulations issued under the Federal Alcohol Administration Act (27 CFR, Part 5), and Regulations 3 (26 CFR, Part 175), except when bottled for export.

(Sec. 505, 49 Stat. 1965, 27 U. S. C. 205)

BOTTLING OF DISTILLED SPIRITS UNDER AN APPROVED TRADE NAME

§ 185.935 Qualification of proprietor. Whenever the proprietor desires to bottle or label distilled spirits under a trade name, he must procure approval of such name in the manner prescribed by § 185.280 prior to bottling or labeling spirits under such name.

(Secs. 2903, 2904, I. R. C.)

§ 185.936 Notice, Form 404. Upon approval by the Commissioner of the names under which distilled spirits will be bottled, such names may be used by the proprietor, provided notice of intention to use such name or names is given to the district supervisor on Form 404, in triplicate. The storekeeper-gauger will not authorize the bottling of spirits under a name or names which have not been approved pursuant to the filing of Forms 27-D and 404.

§ 185.937 Bottling. Before bottling distilled spirits in bond under an approved trade name, the proprietor will execute Form 1515, in quintuplicate, in accordance with § 185.892, and show in the appropriate place on the form the name under which the spirits are to be bottled.

(Secs. 2903, 2904, I. R. C.)

§ 185.938 Marking, branding, stamping, and labeling. The spirits will be marked, branded, stamped, and labeled as prescribed by the provisions of Subparts PP and QQ.

(Sec. 2903, I. R. C.)

SUBPART PP—MARKS AND BRANDS AND CONSTRUCTION OF CASES

§ 185.940 *Capacity of cases.* Spirits bottled in bond for domestic use shall be packed in cases as follows: 12 bottles or 16 bottles containing 1 quart each; 12 bottles, 15 bottles, or 16 bottles containing $\frac{1}{2}$ quart each; 24 bottles containing 1 pint each; 48 bottles containing $\frac{1}{2}$ pint each; 192 bottles containing $\frac{1}{4}$ pint each; 240 bottles containing $\frac{1}{10}$ pint each; and (brandy only) 384 bottles containing $\frac{1}{10}$ pint each. Spirits bottled in bond for export shall be packed in cases to contain not less than 2.0 gallons nor more than 5.0 gallons each.

(Secs. 2903, 2904, 2905, I. R. C.)

§ 185.941 *Serial numbers.* Each case of distilled spirits filled in the bottling-in-bond department must be numbered serially beginning with No. 1 for the first case filled: *Provided*, That the series in current use at existing bottling-in-bond departments will be continued. Where there is a change in the individual, firm, or corporate name, or in the trade name or style, of the proprietor, the series in use at the time of such change will be continued, but a new series will be commenced where there is a change of proprietorship of the warehouse. Where spirits are bottled in more than one bottling room at the same time, the spirits bottled and cased in each bottling room should not be numbered until near the close of the day, in order that the cases may be numbered in their proper consecutive order in the regular series in use at the warehouse. The series of numbers in use for numbering cases containing spirits bottled for domestic consumption will be continued in numbering cases containing spirits bottled in bond for export. Remnant cases will be given the serial number of the last full case containing spirits in the same bottling lot followed by the letter "R," thus: "100R," or "161R."

(Sec. 2903, I. R. C.)

§ 185.942 *New or separate series.* The serial numbers of the cases filled shall run consecutively and shall not be broken in any manner except that whenever the number 1,000,000 is reached, the proprietor may, if he so desires, begin a new series, commencing with No. 1 as originally. Cases may be serially numbered either before or after filling.

(Sec. 2903, I. R. C.)

§ 185.943 *Marks and brands on cases for domestic spirits.* Each case of distilled spirits bottled in bond for domestic consumption shall have plainly burned, embossed, printed, or stenciled on the Government side thereof, in letters and figures not less than one-half of an inch in height, in addition to the serial number, the registry number and State in which the warehouse at which the spirits are bottled is located, and the quantity and proof of the spirits. There shall also be plainly burned, embossed, printed, or stenciled on the Government side of each case, in letters not less than one-half of an inch in height, the kind of spirits, such as "Rye Whisky," "Rum," "Gin," etc., the real name of the actual bona fide distiller or of the individual, firm,

partnership, corporation, or association in whose name the spirits were produced and warehoused, the registry number and location (city or town and State) of the distillery at which the spirits were produced, and the season and year of production and bottling. The word "Inspected," followed by the date of inspection, shall also be marked on each case in letters and figures not less than one-fourth of an inch in height. Where the spirits are tax paid and removed directly from the bottling-in-bond department, the words "Tax paid," in letters not less than one-half inch in height, and the date the stamps were canceled and surrendered, and the name of the storekeeper-gauger supervising the removal of the spirits from the bottling-in-bond department, and his title, in letters and figures not less than one-fourth inch in height, shall be marked on the Government side of the case. All marks on cases, which are embossed, printed, or stenciled, must be made with a permanent ink in a color distinctly in contrast to the color used as a background. No marks, brands, labels, caution notices, or other devices whatever, other than those required by law and this part will be permitted on the Government side of the case.

(Secs. 2903, 2904, I. R. C.)

§ 185.944 *Illustration of marks.* The required marks will be placed on the cases containing spirits for domestic purposes in the following manner and order:

Serial No. 999

RYE WHISKY
JOHN BARLEYCORN & Co.
Distillery No. 564 Louisville, Ky.
Bottled at Internal Revenue Bonded Warehouse No. 300—Ky.
3 gallons—100 Proof
Made Fall 1934
Bottled Spring 1939
Insp. June 5, 1939
Tax Paid—Mar. 15, 1940
RICHARD ROE
U. S. Storekeeper-gauger

§ 185.945 *Marking cases for spirits bottled for export.* The Government side of cases used for packaging distilled spirits bottled in bond for export shall be marked as provided in § 185.943 for distilled spirits bottled in bond for domestic consumption, and in addition thereto, the number and capacity of the bottles contained therein, the words "For Export from U. S. A.," the name of the domestic port from which, and the name of the foreign port to which, the spirits are to be shipped, and the date of withdrawal for exportation, shall be plainly burned, embossed, printed, or stenciled thereon, in letters and figures of not less than one-half inch in height. The name and title of the storekeeper-gauger supervising the removal for exportation, and the word "Inspected," followed by the date of inspection, shall also be marked on each case in letters and figures not less than one-fourth of an inch in height. If the cases are embossed, printed, or stenciled, a permanent ink shall be used as prescribed in § 185.943.

(Secs. 2903, 2904, 2905, I. R. C.)

§ 185.946 *Illustration of marks.* The marks and brands will be placed on the

cases containing spirits for export in the following manner and order:

Serial No. 100

GIN
12—1 qts.
JOHN BARLEYCORN & Co.
Distillery No. 564 Louisville, Ky.
Bottled at Internal Revenue Bonded Warehouse No. 300—Ky.
3.00 wine gals.—2.40 proof gals.
Insp. June 5, 1939 80 proof
Made Fall, 1934
Bottled Spring, 1939
Richard Roe
U. S. Storekeeper-gauger
Inspected June 6, 1939
For Export from U. S. A.
New York to London

(Sec. 2905, I. R. C.)

§ 185.947 *Verification of marks and brands.* The storekeeper-gauger will verify the marks and brands on cases with the reports, and shall satisfy himself of the accuracy and correctness of the marks and brands.

§ 185.948 *Preservation of marks and brands.* The marks, brands, and serial numbers required by this part to be placed on cases shall not be removed therefrom, or obscured or obliterated, before the contents thereof have been removed.

(Sec. 2908, I. R. C.)

§ 185.949 *Obscurity of marks and brands.* The marks and brands required by law and regulations to be applied to cases of distilled spirits bottled in bond are designed to evidence the legal status of the spirits contained therein, and they must not be obscured in any manner or covered by incasing the package bearing the same in another, but must at all times be in such condition as to admit of ready examination by Government officers.

§ 185.950 *Imitation stamps, labels, trade marks, or caution notices.* Any person who affixes or causes to be affixed to any package containing distilled spirits any imitation stamp, or other label, device, or document, either designed as a trade mark, or caution notice, and which shall be in the similitude or likeness of or which has the semblance or general appearance of any internal revenue stamp required by law to be affixed to or upon any packages containing spirits, is liable to severe penalties, and, in addition, the package with its contents shall be forfeited to the United States.

(Sec. 2869, I. R. C.)

§ 185.951 *Cases.* Distilled spirits bottled in bond may be placed in cases constructed of wood, fiberboard, or other material provided such cases are so constructed as to afford protection against breakage or theft during storage or transfer in bond. Cases constructed of wood shall have the outer surface of the Government side or end made of dressed lumber.

SUBPART QQ—BOTTLING IN BOND STRIP STAMPS

§ 185.960 *Strip stamps.* The proprietor must affix over the mouth of each bottle of distilled spirits a domestic strip stamp, or export strip stamp, as the case

may be, in accordance with §§ 185.977-185.979.

(Sec. 2903, I. R. C.)

§ 185.961 *Stamp denominations.* Domestic bottled in bond strip stamps will be provided in the following denominations and in no other: 1 quart, $\frac{1}{2}$ quart, 1 pint, $\frac{1}{2}$ pint, and less than $\frac{1}{2}$ pint. Stamps of less than $\frac{1}{2}$ pint denomination will be used on bottles of the following sizes: $\frac{1}{8}$ pint, $\frac{1}{10}$ pint, and $\frac{1}{16}$ pint.

(Sec. 2903, I. R. C.)

§ 185.962 *Number of stamps in a sheet.* Stamps of "less than $\frac{1}{2}$ pint" denomination will be issued 50 in a sheet. Stamps of all other denominations will be issued 42 in a sheet. Requisitions for stamps by proprietors of warehouses must be made for full sheets. Stamps less than a full sheet may not be sold by a collector to proprietors of internal revenue bonded warehouses.

(Sec. 2903, I. R. C.)

§ 185.963 *Requisition, Form 403.* Proprietors of internal revenue bonded warehouses may purchase domestic bottled in bond strip stamps in anticipation of their reasonable and current needs. Requisition for such stamps will be made on Form 403, in triplicate.

(Sec. 2903, I. R. C.)

§ 185.964 *Approval of requisition.* The proprietor will submit all copies of the requisition, Form 403, to the storekeeper-gauger in charge of the warehouse for approval, who will indicate his approval by signing each copy of the form. Before approving the requisition, the storekeeper-gauger will see that it is properly executed and will satisfy himself that the number of stamps for which requisition is made is necessary for the reasonable and anticipated current needs of the proprietor. Upon approval of the form, the approving officer will return all copies to the proprietor.

(Sec. 2903, I. R. C.)

§ 185.965 *Purchase of stamps.* Strip stamps will be purchased by the proprietor from the collector of the district in which the warehouse is located. Stamps may not be purchased by one proprietor from another, nor may they, except in cases of emergency, be purchased from collectors of other districts. The proprietor will forward all copies of the approved Form 403 received from the approving officer to the collector with remittance for the stamps. The collector will sell to the proprietor of the warehouse strip stamps at a price of 1 cent for each stamp, except that in the case of stamps for containers of less than one-half pint, the price shall be one-quarter of 1 cent for each stamp. The collector will enter the serial numbers of the stamps issued and stamp the date of sale on all copies of Form 403. The collector will retain one copy and immediately forward the original copy to the district supervisor, and forward one copy (by mail) to the storekeeper-gauger in charge of the warehouse. The collector will, in every case, forward the stamps to the storekeeper-gauger in charge of the warehouse, in care of the proprietor. The proprietor will retain the package

intact and deliver it unopened to the storekeeper-gauger who will immediately place the stamps in the Government cabinet.

(Sec. 2903, I. R. C.)

§ 185.966 *Remittance.* All orders for stamps must be accompanied by remittance in the proper form. If the order is to be sent by registered mail, there should be attached sufficient postage stamps, or a separate remittance, to pay postage and registry fee and any required registry surcharge as provided by the postal laws and regulations. Under no circumstances should the sum to cover postage, registry fee or surcharge, be included in the remittance covering the cost of stamps. The local postmaster should be consulted relative to the amount of registry fee and surcharge required. Stamps may also be forwarded by express at the expense of the proprietor in accordance with § 185.967.

(Sec. 2903, I. R. C.)

§ 185.967 *Shipment of stamps.* Where the stamps are to be shipped, the collector will forward the stamps to the storekeeper-gauger named on the Form 403 by registered mail or express. The expense of forwarding the stamps will be borne by the proprietor. The collector may furnish the stamps directly to the proprietor for immediate delivery to the storekeeper-gauger in accordance with § 185.965. The storekeeper-gauger will enter on Form 1606 all bottled in bond stamps received from the collector. All stamps in the custody of the storekeeper-gauger will be kept by him in the Government cabinet.

(Sec. 2903, I. R. C.)

§ 185.968 *Original overprinting of stamps.* Bottled in bond strip stamps must be overprinted, such overprinting to be in the blank spaces provided therefor. At such time as the proprietor of the warehouse desires to have stamps overprinted and cut, the storekeeper-gauger will deliver the stamps to him. The overprinting of stamps may be done by the proprietor, or by a designated commercial printer approved by the district supervisor. In overprinting strip stamps the proprietor should exercise the utmost care to see that the name of the producing distiller of the spirits is precisely the same as that shown in the notice filed by the distiller and is in agreement with the marks and brands on the packages of distilled spirits to be bottled in bond. Where the word "company," "corporation," or "incorporated," or an abbreviation thereof, is a part of the name of the actual bona fide distiller of the spirits, or of the individual, firm, partnership, corporation, or association, in whose name the spirits were produced and warehoused, particular care should be taken to see that this information is overprinted on the stamps to conform to the name of the producer as reflected on the notice, and the marks and brands on the package. Overprinting will be done in red ink with not less than 8-point type. The season and year when the spirits were produced, and the season and year when bottled, will be overprinted in the blank spaces on the end of the stamp bearing the serial num-

ber: *Provided*, That in the case of stamps of "Less than $\frac{1}{2}$ pint" denomination, which do not have serial numbers, the season and year when produced, and the season and year when bottled, will be placed on the right-hand end of the stamp. In the blank space on the other end of the stamp will be placed the name of the actual bona fide distiller, or the name of the individual, firm, partnership, corporation, or association, in whose name the spirits were produced and warehoused. Overprinting of the stamp will be in the following form:

Produced by
JOHN BARLEYCORN & CO.
0-000,000
Made fall 1934
Bottled spring 1939

(Sec. 2903, I. R. C.)

§ 185.969 *Second overprinting of stamps.* Strip stamps for distilled spirits bottled in bond, which the proprietor cannot use in the season or year for which they were overprinted, or on which an error was made in overprinting the season or year of production or bottling, may be again overprinted. The season or year when "produced" or when "bottled," or both, overprinted on the stamps may be obliterated and the desired seasons or years of production and bottling substituted. One overprinting only will be permitted after the original or first overprinting. The name of the distiller or any data other than the season and year of production or bottling, may not be changed after the original or first overprinting.

(Sec. 2903, I. R. C.)

§ 185.970 *Cutting of stamps.* The storekeeper-gauger may, upon request, permit the proprietor to cut all, or any quantity, of stamps in advance of his needs. The stamps will be cut under the supervision of the storekeeper-gauger and returned to him in the same numerical sequence. Each separate package of cut bottled in bond strip stamps must be marked with the quantity of such stamps in the package and the first and last numbers, as "4200, serial Nos. 1,600,001 to 1,604,200."

§ 185.971 *Delivery of stamps to storekeeper-gauger.* When the stamps have been overprinted or cut, the proprietor will deliver them to the storekeeper-gauger, who will determine whether the correct number has been returned, and place them in the Government cabinet.

§ 185.972 *Exchange and redemption of stamps.* Unused bottled in bond strip stamps issued under section 2903 of the Internal Revenue Code, in quantities of the value of \$5 or more, may be exchanged for bottled in bond strip stamps, of equal value and in any prescribed denomination, or the value thereof may be refunded, provided that a claim for such exchange or refund, establishing the lawful issuance and ownership of the stamps, is filed with the collector of internal revenue who issued the stamps within two years after the date on which such stamps were lawfully issued: *Provided, however*, That the value of unused stamps which have been destroyed may be refunded upon the filing of a claim as

provided herein with proof to the satisfaction of the Commissioner of the destruction of the stamps. Claims for exchange of stamps will be filed on Form 1579 and claims for refund of the value of stamps on Form 843, in accordance with procedure prescribed by the Commissioner. Appropriate notation will be made on Form 1606 by the storekeeper-gauger of bottled in bond stamps destroyed, exchanged, or surrendered for refund of the value thereof.

(Sec. 2903, I. R. C.)

§ 185.973 *Record, Form 96.* Where the bottled in bond stamps are returned to the proprietor for filing a claim for exchange or redemption, the proprietor shall account for such stamps on Form 96 until the exchange or redemption has been effected. Appropriate modification of the form to specify bottled in bond stamps shall be made. The form will be prepared and disposed of in accordance with the applicable instructions thereon relating to "Other persons assigned custody of stamps."

(Sec. 2903, I. R. C.)

§ 185.974 *Proprietor's application, Form 1515.* All distilled spirits of each particular lot transferred to a bottling tank should be immediately drawn off into bottles of the desired size or sizes, as provided in this part. Application for domestic strip stamps will be made by the proprietor on Form 1515 at the time of execution of his application to bottle in bond pursuant to § 185.892. The applicant should request the number of strip stamps necessary to bottle the quantity of spirits contained in the packages as indicated by the proof gallon content shown by the gauge for withdrawal.

(Secs. 2903, 2904, I. R. C.)

§ 185.975 *Stamps issued in serial order.* All bottled in bond strip stamps will be issued by the storekeeper-gauger to the proprietor in proper serial order, starting with the lowest serial number of the stamps of the denominations desired on hand at the time of issuance. The proprietor will not, however, be required to affix bottled in bond strip stamps in serial order. If, after filling the cases, there remain bottles less than the number necessary to constitute a full case, such bottles must be stamped and placed in a case conforming to the requirements of this part.

(Sec. 2903, I. R. C.)

§ 185.976 *Storekeeper-gauger's responsibility.* Storekeeper-gaugers who have custody of bottled in bond strip stamps will be held strictly responsible for the proper control and accounting of all stamps received, issued, used, and on hand. They shall determine whether the number of stamps requisitioned is needed; that those issued are properly affixed to bottles of spirits; that all stamps issued to the proprietor and not used are returned to them; and that a proper accounting is made of all stamps reported mutilated.

(Sec. 2903, I. R. C.)

§ 185.977 *Manner of affixing stamps.* The stamps must be securely affixed to

the bottles with the use of a good adhesive. The adhesive used must be in proper liquid condition, and care must be taken to cover the entire back of the stamp with the adhesive, and to press the whole surface of the stamp firmly against the surface of the bottle sufficiently long to cause the entire surface of the stamp to adhere securely to the bottle. The stamp must pass over the mouth of the bottle, extending an approximately equal distance on two sides of the bottle. The stamp must be affixed in such a manner that upon opening the bottle a portion of the stamp will be left attached thereto until emptied.

(Sec. 2903, I. R. C.)

§ 185.978 *Concealing or obscuring stamps.* No part of the stamp shall be concealed or obscured by any label or other covering, except that a cup may be placed over the opening of the bottle, or the bottle may be placed in a carton, as hereinafter provided. Seals made of cellulose or other material which are shrunk or otherwise fitted over the necks of the bottles and cover the stamps must be sufficiently transparent to permit the stamps to be plainly seen and the data thereon easily read. No cup or cap may be placed over the opening of a bottle and cover the stamp, unless such cup or cap is transparent, or is so placed on the bottle that it may be readily removed at any time without injury to the stamp, and the arrangement is such that the ends of the stamp will be plainly visible when the cap or cup is in place. Cartons or other coverings of bottles of distilled spirits are permitted, if so made that they may be opened and closed without being torn or broken. Sealed cartons or other coverings may not be used unless transparent, or unless openings therein permit the data on the stamp and the indicia and penalty clause required by Regulations 13 (26 CFR, Part 175) on the bottle to be plainly seen and read.

(Sec. 2903, I. R. C.)

§ 185.979 *Affixing stamp over cup or cap.* The stamp may be affixed over a cup or cap placed over the opening of the bottle, provided the arrangement is such that the stamp will be torn apart or destroyed when the cup or cap is unscrewed or removed or destroyed. Where it is desired to affix the stamp over a removable cup or cap, the cup or cap must be securely screwed or fastened over the opening of the bottle, and must be of such size and construction that the stamp will pass over the top and extend beyond the cup or cap for such length that each end of the stamp may be securely affixed to the surface of the bottle. The stamp must be securely affixed with a strong adhesive to both the cup or cap and the bottle. Where it is desired to affix the stamp over a cap or seal made of cellulose or other similar adhesive material which is so shrunk or otherwise fitted over the neck of the bottle as to be unremovable without being destroyed, and is of such size and construction that the stamp will not extend beyond such cap or seal to permit each end to be affixed to the surface of the bottle, it will not be necessary for

the ends of the stamp to be affixed to the surface of the bottle, provided the cap or seal is affixed to the bottle in such manner that when the bottle is opened the stamp will be torn apart and a portion of the cap or seal and stamp will remain attached to the bottle. In any case where there is doubt as to the propriety of the use of any cup or cap, the bottle and cup or cap should be submitted to the district supervisor for a ruling thereon.

(Sec. 2903, I. R. C.)

§ 185.980 *Requisitions for export stamps.* Export strip stamps will be provided in the following denominations and in no other: 1 quart, $\frac{3}{4}$ quart, 1 pint, $\frac{1}{2}$ pint, and less than $\frac{1}{2}$ pint. The provisions of §§ 185.961 to 185.972, relative to requisitions for purchase, shipment, the overprinting of domestic strip stamps (except that in overprinting export strip stamps the proof at which the spirits are to be bottled will be printed on the stamps in addition to the other required data), and the exchange and redemption of stamps, will, insofar as applicable, apply to export strip stamps. Export strip stamps must be securely affixed to the bottles in the same manner as strip stamps are required to be affixed to spirits bottled in bond for domestic consumption. The provisions of §§ 185.977 to 185.979, respecting the affixing of strip stamps, and the use of cups, caps, and seals, and cartons, on bottles so stamped shall apply to spirits bottled for export.

(Secs. 2903, 2905, I. R. C.)

§ 185.981 *Application, Form 1515.* Application for export strip stamps will be made by the proprietor on Form 1515 at the time of execution of his application to bottle in bond pursuant to § 185.893. The applicant should request the number of strip stamps necessary to bottle the quantity of spirits contained in the packages as indicated by the gauge for withdrawal.

(Sec. 2905, I. R. C.)

RECORD AND REPORT OF STRIP STAMPS

§ 185.982 *Record, Form 1606.* Storekeeper-gaugers assigned to supervise operations in the bottling-in-bond department will make a record and report of strip stamps received and used on Parts I and II of Form 1606, in accordance with the provisions of §§ 185.1031 to 185.1033.

(Sec. 2905, I. R. C.)

§ 185.983 *Removal prohibited.* Strip stamps which have been affixed to bottles of distilled spirits shall not be removed therefrom, except in the process of destruction when the bottles are opened; and such stamps, used or unused, may not be purchased, sold or possessed, except as specifically provided by law or regulations.

(Sec. 2908, I. R. C.)

SUBPART RR—REBOTTING, RELABELING, AND RESTAMPING OF BOTTLED SPIRITS

§ 185.990 *Permission must be obtained.* Warehousemen desiring to rebottle, relabel, or restamp spirits bottled in bond will make application to the dis-

trict supervisor of the district in which the work is to be performed. The application will state specifically the reasons why such is necessary, giving the serial numbers of the cases, the name of the distiller producing the spirits, the registry number of the distillery and State in which produced, season and year of production, the name of the original bottler, the registry number of the warehouse and State in which bottled, season and year of original bottling, and whether or not the spirits have been continuously in the possession of the applicant. If the spirits were originally bottled by a distiller or warehouseman other than the applicant, the application must be accompanied by a statement from the original bottler consenting to the reconditioning thereof by the applicant. Warehousemen and supervisors will bear in mind that the rebottling, relabeling, or restamping of bottled in bond spirits may be done only when necessary to render the spirits merchantable. The work must be done at such time and in such manner as will require no unnecessary supervision, or assignment of additional officers for that purpose.

(Sec. 2904, I. R. C.)

§ 185.991 Examination of spirits. Upon receipt of such application, the district supervisor will have the storekeeper-gauger in charge at the warehouse, or an inspector, examine the condition of the spirits and verify the data contained in the application. The officer will make a full report of his inspection to the district supervisor.

§ 185.992 Action on application. If the district supervisor finds that the reconditioning, rebottling, relabeling, or restamping of the spirits is necessary, he will approve the application. Cases of tax-paid bottled in bond spirits, which have left the premises of the warehouseman, may be rebottled, restamped, or relabeled, provided the district supervisor is satisfied, upon investigation, that the spirits have not been tampered with in any manner, and are of the required proof for bottled in bond spirits. Where tax-paid bottled in bond spirits have left the premises of the warehouseman, and investigation discloses that the spirits have been tampered with, or where the district supervisor is doubtful as to the proper action to be taken, rebottling, relabeling, or restamping should not be authorized until the matter has been referred to the Commissioner for consideration and advice.

§ 185.993 New strip stamps required. Whenever bottled distilled spirits are dumped for rebottling, the strip stamps on the bottles must be destroyed at the time of dumping, and new strip stamps must be affixed to the bottles in which the spirits are rebottled. The new stamps will bear the same data as to seasons and years when produced and bottled, the name of the distiller or the name of the individual, firm, partnership, corporation, or association, in whose name the spirits were produced and warehoused. The registered distillery number, and the number and district of the warehouse at which originally bottled will not be printed on new

stamps where stamps of prior issues bearing such data are affixed to the bottles.

(Secs. 2903, 2905, I. R. C.)

§ 185.994 Indicia bottles. The bottles must bear the indicia, and conform to the standards of fill, required by this Part and by Regulations 13 (26 CFR, Part 175). The reconditioned spirits may be rebottled in the same bottles from which removed if such bottles containing the spirits originally conform to the requirements of Regulations 13 and bear the proper indicia and have not been sold to the consumer or opened, and the use of such bottles is authorized by the district supervisor in accordance with the said regulations.

(Sec. 2871, I. R. C.)

§ 185.995 Relabeling. If the spirits are to be relabeled, the new label to be used must be covered by an appropriate certificate of label approval or a certificate of exemption from label approval issued under the Federal Alcohol Administration Act. If the new label is covered by a certificate of exemption from label approval, it must conform to the requirements of Regulations 13 (26 CFR, Part 175). Authorization to relabel spirits which have left the possession of the original bottler must be obtained by the proprietor of the warehouse who is to do the relabeling from the district supervisor in accordance with § 185.990.

(Sec. 2871, I. R. C., Sec. 505, 49 Stat. 1965, 27 U. S. C. 205)

§ 185.996 Supervision required. All rebottling, relabeling, and restamping of spirits must be conducted in a bottling-in-bond department under the supervision of a storekeeper-gauger: *Provided*, That the district supervisor may authorize the relabeling or restamping of spirits in an internal revenue bonded warehouse not having a bottling-in-bond department where space and facilities for such activities are available. Spirits of two or more distillers, or spirits produced at different distilleries, or produced under two or more trade names by the same distiller, or of different seasons' or years' production or bottling, may not be reconditioned at the same time, and rebottling operations may not be conducted at a time when other spirits are in the process of bottling except where two or more complete bottling units are installed as provided in § 185.904.

(Secs. 2903, 2905, I. R. C.)

§ 185.997 Filtering. Warehousemen may remove by straining through cloth, felt, or other like material, any charcoal, sediment, or other like substances found in the spirits. In the process of rebottling, the spirits may not be subjected to any treatment deemed to be rectification as defined in Regulations 15 (26 CFR, Part 190).

§ 185.998 Records and reports. Application will be made on Form 1515 for the removal of bottled spirits from the internal revenue bonded warehouse for rebottling. Entries will be made in the proper columns of Form 1513, "Storekeeper-gauger's Monthly Return for Bonded Warehouse," showing the re-

moval of the cases for rebottling and, after rebottling, the return of the cases filled to the bonded warehouse. Application will be made on Form 1515 to the storekeeper-gauger in charge of the warehouse for strip stamps sufficient to cover the quantity of spirits bottled. Entries for rebottling untax-paid spirits will be made on Form 1513 in the same manner as for spirits originally entered for bottling in bond. The loss or gain in the rebottling of any lot of untax-paid spirits will be reported in accordance with § 185.915. Tax-paid spirits which are rebottled, relabeled, or restamped will not be entered on Form 1513: *Provided*, That application on Form 1515 will be made when tax-paid spirits are to be rebottled or restamped in accordance with this part, and the form properly modified to show that the spirits have been rebottled or restamped.

(Secs. 2903, 2904, I. R. C.)

SUBPART SS—SALES OF DISTILLED SPIRITS BY PROPRIETORS OF BONDED WAREHOUSES

§ 185.1010 Bulk containers. Under the regulations issued pursuant to the Federal Alcohol Administration Act (27 CFR, Part 3), proprietors of internal revenue bonded warehouses may sell or dispose of distilled spirits in bulk, i. e., in containers having a capacity in excess of 1 gallon, (a) to distillers and proprietors of internal revenue bonded warehouses, industrial alcohol plants and industrial alcohol bonded warehouses (holding a permit under the Federal Alcohol Administration Act), including those operating taxpaid bottling houses; (b) to proprietors of class 8 customs bonded warehouses (imported spirits only); (c) to rectifiers; (d) to winemakers (brandy or alcohol) for fortification of wine; (e) to any agency of the United States, or of any State or political subdivision thereof; (f) for export; (g) on warehouse receipts, conforming to the regulations issued under the Federal Alcohol Administration Act, for distilled spirits in internal revenue bonded warehouses; and (h) for industrial use in accordance with the regulations issued under the Federal Alcohol Administration Act (27 CFR, Part 2), as follows: For experimental purposes, and for use in the manufacture (1) of medicinal, pharmaceutical, or antiseptic products, including prescriptions compounded by retail druggists; (2) of toilet products; (3) of flavoring extracts, sirups, or food products; or (4) of scientific, chemical, mechanical, or industrial products; provided such products are unfit for beverage use. Distilled spirits distilled at 160 degrees of proof or more may, however, upon taxpayment be withdrawn for beverage purposes only. Under the regulations issued pursuant to the Federal Alcohol Administration Act (27 CFR, Part 3) warehousemen may not sell in bulk for industrial use other distilled spirits (except neutral spirits—fruit or alcohol) unless such spirits are shipped or delivered directly to the industrial user thereof.

(Sec. 2883, I. R. C., Sec. 6, 49 Stat. 985; 27 U. S. C. 206)

§ 185.1011 *Retail containers.* Except as provided in § 185.1010, proprietors of bonded warehouses may sell or dispose of distilled spirits only in containers having a capacity of 1 gallon or less. All such containers having a capacity of $\frac{1}{2}$ pint or more must conform to the requirements of Regulations 13 (26 CFR, Part 175).

(Sec. 2871, I. R. C., Sec. 6, 49 Stat. 985, 27 U. S. C., 206)

SUBPART TT—SPECIAL (OCCUPATIONAL) TAXES

§ 185.1015 *Wholesale and retail liquor dealer.* Proprietors of bonded warehouses who sell distilled spirits must file returns on Form 11, "Special Tax Return," and pay special (occupational) taxes as wholesale liquor dealer or retail liquor dealer, or both, in accordance with the law and regulations governing the payment of such special taxes unless they are qualified as distillers and sell only distilled spirits of their own production at the place of manufacture, or the place of storage in bond, in the original packages to which the tax-paid stamps are affixed, as provided in § 185.1017.

(Secs. 3250, 3270, 3271, 3272, I. R. C.)

§ 185.1016 *Warehouse receipts covering distilled spirits.* Since the sale of warehouse receipts for distilled spirits is equivalent to the sale of distilled spirits, every proprietor of an internal revenue bonded warehouse who sells, or offers for sale, warehouse receipts for distilled spirits stored in internal revenue bonded warehouses, or elsewhere, incurs liability to special tax as a dealer in liquors at the place where such warehouse receipts are sold or offered for sale, and must file return and pay occupational tax as provided in § 185.1015.

(Secs. 3250, 3254, 3270, 3271, 3272, I. R. C.)

§ 185.1017 *Exemption of distiller.* No distiller who has given the required bond and who sells only distilled spirits of his own production at the place of manufacture, or at the place of storage in bond, in the original packages, to which the tax-paid stamps are affixed, shall be required to pay the special tax of a wholesale dealer in liquors on account of such sales. This provision does not exempt distillers from the payment of special taxes for sales of distilled spirits of their own production in bond (by warehouse receipt or otherwise), or in cases or containers other than the original packages, or for exportation, fortification of wine, use of the United States, etc., without attachment of tax-paid stamps to the original packages, nor does it exempt them from liability for special taxes where distilled spirits produced by other distillers are sold by them. This exemption does not apply to the sale of brandies blended and packaged by a distiller in an internal revenue bonded warehouse.

(Secs. 2801, 3250, I. R. C.)

§ 185.1018 *Exemption from special tax as a rectifier.* Proprietors of internal revenue bonded warehouses who blend brandies under the provisions of section 2801 (e) (5) of the Internal Revenue

Code shall not be required to pay special tax as rectifiers.

(Sec. 2801, I. R. C.)

SUBPART UU—STOREKEEPER-GAUGER'S FILES AND RECORDS

§ 185.1020 *Summary of deposits and withdrawals, Form 1621.* The storekeeper-gauger in charge of each internal revenue bonded warehouse shall keep a summary on Form 1621 of the spirits entered into, withdrawn from, and remaining in warehouse. Entries shall be made as indicated by the headings of the columns and lines on the form and in accordance with instructions issued by the Commissioner. Daily entries need not be made in the column "Balance in Warehouse," but the account shall be balanced and posted monthly, or at the end of each page if transactions are sufficiently numerous to fill more than one page per month. In the case of packages of blended brandies, the registry number of the warehouse where such packages were filled shall be substituted for the registry number of the distillery. The records shall be arranged alphabetically by States (a) numerically by distilleries according to registry number within each State and (b) in case of blended brandies, numerically by internal revenue bonded warehouses according to registry number within each State. Separate sheets shall be used for each kind of spirits (including blended brandies) and for each season's production, and for packages, cases, storage tanks, and packages of blended brandies. A summary account for each producer's goods shall not be maintained. Warehouse summary accounts showing for packages, cases, and storage tanks the total deposits and withdrawals by kinds and the total deposits and withdrawals of all kinds of spirits should be maintained. This record shall also be used by storekeeper-gaugers in connection with the preparation of the statement on Form 1513 of spirits remaining in warehouse.

(Sec. 2801, I. R. C.)

§ 185.1021 *Storage tank account.* In addition to the accounts required by § 185.1020, the storekeeper-gauger shall maintain a separate account of each warehouse storage tank on Form 1621, and will record all deposits, withdrawals, and quantities of spirits remaining in such tanks in monthly report, Form 1513, as provided in § 185.1030. Stocks of spirits remaining on hand in storage tanks, by kind and season of production, will be determined by physical inventory at the close of each month. Losses from each storage tank will be determined at the time of monthly physical inventories or at such time during the month that a tank is emptied, and losses, if any, entered on Form 1621 and monthly report, Form 1513. Losses sustained from a storage tank which do not exceed 1 percent of the total quantity contained in such tank during the month, provided there are no circumstances indicating that any of the spirits were lost by theft or unauthorized voluntary destruction, may be considered as normal storage losses, otherwise such losses shall be investigated and reported

in accordance with the procedure prescribed by §§ 185.480 to 185.496.

(Sec. 2883, I. R. C.)

§ 185.1022 *Files and records covering deposits.* The storekeeper-gauger's copy of all Forms 1520, covering the deposit in warehouse of spirits received from distilleries; Forms 1619 and 1620, covering spirits received from other warehouses; Forms 1520, covering packages filled from storage tanks and retained in the warehouse; Forms 1520, covering packages filled from brandy-blending tanks; and Forms 1620, covering cases of bottled in bond spirits returned to the storage portion of the warehouse, shall be filed as permanent records, in the office of the storekeeper-gauger. Before filing such forms, the storekeeper-gauger shall make appropriate entries covering the receipt of the spirits in his summary of deposits and withdrawals, Form 1621. The storekeeper-gauger shall enter the date of deposit of the spirits in the warehouse at the bottom of each form. Forms 1520 and 1619 shall be filed under the name of the producing distiller (or warehouseman in the case of blended brandies) and arranged in chronological order according to date of deposit and in sequence by serial numbers of the packages where possible. Forms 1620 shall be filed similarly in a separate binder. Separate files shall be maintained for storage tanks and for packages filled from storage tanks and retained in the warehouse and for packages filled from brandy-blending tanks. Where two or more lots of spirits are deposited in the same storage tank, the Forms 1520 covering such deposits shall be kept together and identifying notations shall be made on each form showing that they collectively represent the spirits deposited in the tank within any one distilling season. The date of deposit of the spirits shall be entered at the bottom of each Form 236 covering spirits received in bond from other premises; at the bottom of each Form 1515 covering spirits bottled in bond and returned to the warehouse; and at the bottom of each Form 1685 covering brandy blended in brandy-blending tanks and returned to the warehouse, and such forms shall be filed separately by form number in chronological order.

(Sec. 2801, I. R. C.)

§ 185.1023 *Files and records covering withdrawals.* When spirits are to be withdrawn, the storekeeper-gauger shall, upon presentation of the proper withdrawal form by the proprietor, secure from his file the Form 1520, 1619, or 1620, covering the deposit of the spirits, including blended brandy returned to the storage portion of the warehouse from the brandy-blending department, and shall verify the details of entry gauge transcribed to the withdrawal form. The storekeeper-gauger shall at that time enclose by red line blocking on the entry Form 1520, 1619, or 1620, the packages or cases to be withdrawn and shall, above a diagonal red line drawn through the block, enter the current date. Upon withdrawal of the spirits, the storekeeper-gauger shall indicate below the diagonal red line within the block on the

entry Form 1520, 1619, or 1620, the number of packages withdrawn and the date and purpose of the withdrawal and in the margin of the form, immediately adjacent to the block, the total original tax gallons of the packages or cases withdrawn. He shall also make the necessary entries covering the withdrawal on Form 1621, and shall enter the date of withdrawal at the bottom of the retained copies of the withdrawal forms and applications. When, at the time of entering this information on the entry Form 1520, 1619, or 1620, examination of the form discloses that all the packages or cases covered by the form have been removed, the storekeeper-gauger shall compare the totals of the spirits entered for deposit with the totals of the spirits withdrawn for the purpose of determining the existence of any errors in transactions involving items covered by the particular form. When a storage tank is emptied the storekeeper-gauger shall note in red on the Forms 1520 covering the spirits deposited therein during any one distilling season, the date the tank was emptied and remove the Forms 1520 to an inactive file.

(Sec. 2801, I. R. C.)

§ 185.1024 *Retention of records.* Each Form 1520, 1619, or 1620, covering the deposit of the spirits shall be retained in the active binder until all spirits covered by the form have been withdrawn, at which time such form shall be removed and filed in the same order in an inactive file. Each binder shall be appropriately marked to show the kind of forms it contains and the period covered thereby. The binders for packages received from the distillery on the same or contiguous premises, packages filled from storage tanks, packages of blended brandy filled in the brandy-blending department, and cases bottled at the warehouse shall also have shown thereon the serial numbers of the packages or cases. Where a change in proprietorship of the warehouse occurs, the files of all deposit and withdrawal forms shall be retained and continued in connection with the transactions of the successor.

(Sec. 2801, I. R. C.)

§ 185.1025 *Withdrawals from storage tanks.* When spirits warehoused in storage tanks are withdrawn therefrom, either for immediate withdrawal from warehouse or for storage in packages in the warehouse, the storekeeper-gauger will note on Form 1621, covering the tank from which withdrawn, the date and the quantity withdrawn. Where the spirits are drawn into packages for storage in the warehouse, the storekeeper-gauger will enter the deposit of the packages on Form 1621 and note the date of deposit at the bottom of Form 1520, covering the gauge of the packages. Where the spirits are drawn into packages or tank cars for withdrawal from warehouse, the storekeeper-gauger will note the date of withdrawal at the bottom of the retained copies of the withdrawal forms and applications.

(Sec. 2803, I. R. C.)

§ 185.1026 *Filing of withdrawal forms and applications.* The copies of the re-

ports of the withdrawal gauge, Form 1520, the reports of removal for transfer in bond, Form 1619 or 1620, or the application for tax payment and withdrawal of bottled in bond spirits, Form 1519, as the case may be, retained by the storekeeper-gauger, shall be filed separately by form number in chronological order, according to the date of withdrawal noted on the bottom of the forms. The storekeeper-gauger's copies of withdrawal applications, Forms 179, 206, 236, 257, 573, 1515, and 1685, and of permit, Form 1508, will be filed separately by form number, in chronological order, in the same manner as the withdrawal forms. The withdrawal reports and applications for each month shall be separated in the file by proper markers and each file shall be appropriately marked to show the kind of forms contained therein and the period covered thereby.

(Sec. 2801, I. R. C.)

SUBPART VV—STOREKEEPER-GAUGER'S MONTHLY RETURN

§ 185.1030 *Method of keeping return.* The storekeeper-gauger in charge of every internal revenue bonded warehouse shall keep a monthly record on Form 1513 of all distilled spirits deposited in, bottled, withdrawn from, and remaining in the warehouse. The deposit, withdrawal, and inventory records, shall include blended brandies received into the storage portion of the warehouse from the brandy-blending department, brandies removed from the storage portion of the warehouse to the brandy-blending department, and blended brandies remaining in the storage portion of warehouse at the end of the month. As to blended brandy, the statement of spirits remaining in the warehouse shall be reported according to the season and year of production of the oldest brandy in the blend. All the information indicated by the headings of the columns and lines and the instructions printed on the form and required by this part or issued pursuant thereto shall be entered on the form in order stated in such instructions. The record shall be kept in bound form available for inspection by Government officers.

(Secs. 2801, 2915, I. R. C.)

§ 185.1031 *Filing return.* The storekeeper-gauger will prepare and forward two copies of the record to the district supervisor on or before the 5th day of the month succeeding that for which rendered: *Provided*, That the district supervisor may extend the time for filing the return to the 10th day of such month in the case of warehouses where there are numerous transactions. The district supervisor will, after audit and not later than the last day of the month succeeding that for which the return is rendered, forward one copy of each such return to the Commissioner and will retain the remaining copy.

(Sec. 2915, I. R. C.)

§ 185.1032 *Record, Form 1606.* At the close of the month storekeeper-gaugers assigned to the bottling-in-bond department of the internal revenue bonded warehouse will make a record and report

of strip stamps received and used on Parts I and II of Form 1606.

(a) *Part I.* One copy of Part I of the form will be prepared each month, using a separate page for each denomination of stamps. A separate record marked "Export" on Form 1606 (Part I) of the number of each denomination of export strip stamps received, turned over to the proprietor for overprinting and returned to him, the number used during the month, and the number on hand at the beginning and close of the month will be kept. Part I will be retained in the Government office in bound form available for inspection by succeeding storekeeper-gaugers or other officers.

(b) *Part II.* Storekeeper-gaugers will prepare Part II of Form 1606, in quadruplicate, each month. A separate report on Part II, in quadruplicate, marked "Export" will be rendered for export strip stamps. A complete summary of all stamps received and disposed of must be made in accordance with the headings of the columns and the titles of the lines. One copy of Part II will be retained on the premises in bound form available for inspection by succeeding storekeeper-gaugers or other Government officers. On or before the 5th day of the month succeeding that for which the report is rendered the storekeeper-gauger will furnish one copy to the proprietor of the warehouse and forward two copies to the district supervisor. The district supervisor will forward one copy to the Commissioner not later than the last day of the month succeeding that for which rendered.

(c) *Transfer of storekeeper-gaugers.* In the event a storekeeper-gauger having custody of stamps is relieved of such custody of strip stamps at any time between the first and last day of the month because of transfer or for any other reason, he will sign Part I of Form 1606 for the period of the month during which the stamps were in his custody. The storekeeper-gauger having custody of the stamps at the close of the month will render a summary report to the district supervisor.

(d) *Inventory.* Whenever a storekeeper-gauger having custody of stamps is relieved of such custody, the succeeding storekeeper-gauger will inventory the stamps turned over to him by his predecessor. Any overage or shortage of stamps disclosed by the inventory will be reported in the respective accounts of the summary with an explanatory statement noted thereon.

(Sec. 2904, I. R. C.)

§ 185.1033 *District supervisor's account.* The district supervisor will maintain a control account for losses on Form 1691. The account shall show all information as indicated in the heading and by the various columns and as required by instructions printed thereon or issued in respect thereto and by this part.

(Secs. 2903, 2904, I. R. C.)

SUBPART WW—RECORDS AND REPORTS OF PROPRIETOR

§ 185.1040 *Record of removals from warehouse, Form 52-C.* Every proprietor of an internal revenue bonded warehouse

shall keep a daily record on Form 52-C, "Monthly Record and Report of Internal Revenue Bonded Warehouse," of all bulk and bottled in bond distilled spirits removed from the warehouse. Entries will be made as indicated by the headings of the columns and lines and as required by the instructions printed thereon or issued in respect thereto and by this part. (Secs. 2857, 2859, I. R. C.)

§ 185.1041 Record of sales at tax-paid premises, Form 52E. Every proprietor of an internal revenue bonded warehouse, who maintains tax-paid premises at which tax-paid distilled spirits are received, stored, and sold in bulk, shall keep Form 52E, "Monthly Record and Report of Importer or Proprietor of Tax-paid Premises," of all spirits, both bulk and bottled, received and disposed of at his tax-paid premises: *Provided*, That, if such proprietor so desires, he may keep Form 52E for bulk spirits only and Record 52, "Wholesale Liquor Dealer's Record," for bottled spirits only. Where only bottled distilled spirits are received, stored and sold at such tax-paid premises, the proprietor shall keep Record 52 of all such spirits received and disposed of at his tax-paid premises. By tax-paid premises is meant the "tax paid" or "free" warehouse or room maintained in conjunction with the internal revenue bonded warehouse, or premises maintained at other locations for the receipt, storage and disposition of tax-paid spirits. Separate records must be kept at each of such premises.

(Sec. 2857, I. R. C.)

§ 185.1042 Record of warehouse receipts to be kept by warehouseman. Every proprietor of an internal revenue bonded warehouse who sells, or offers for sale, distilled spirits by warehouse receipts shall keep a separate record, and render a monthly transcript, of all purchases and sales of warehouse receipts on Form 52-F, "Wholesale Liquor Dealer's Monthly Record and Report of Purchases and Sales of Warehouse Receipts for Distilled Spirits." There need not be entered on Form 52-F transactions in warehouse receipts not involving the purchase or sale of distilled spirits, such as the issuance by the warehouseman of warehouse receipts covering the deposit or bottling of spirits in his warehouse or the receipt of warehouse receipts surrendered for the bottling of the spirits in bond or their transfer in bond to another warehouse. Entries on Form 52-F shall be made as indicated by the headings of the columns and lines of the form and in accordance with the instructions printed thereon or issued in respect thereto and as required by the provisions of this subpart. The provisions of § 185.1044 with respect to the time of making entries, and of § 185.1049 with respect to forms to be provided by users, are hereby made applicable to Form 52-F. The provisions of § 185.1045 with respect to a separate record of serial numbers of cases are hereby made applicable to Form 52-F with respect to serial numbers of packages and cases purchased or sold by warehouse receipts. The monthly transcript on Form 52-F shall be forwarded to the district super-

visor on or before the 10th day of the succeeding month. The physical removal of distilled spirits from the internal revenue bonded warehouse shall continue to be reported on Form 52-C in accordance with the provisions of § 185.1040. The physical receipt and disposition of distilled spirits at taxpaid premises shall continue to be reported on Form 52-E or Record 52, as the case may be, in accordance with the provisions of § 185.1041.

(Secs. 2857, 2859, 3254, I. R. C.)

§ 185.1043 Place where Form 52-F shall be kept. Every proprietor of an internal revenue bonded warehouse shall keep Form 52-F at the place of business where warehouse receipts are sold or offered for sale.

(Secs. 2857, 2859, 3254, I. R. C.)

§ 185.1044 Time of making entries. Daily entries shall be made on Record 52 and Forms 52C and 52E, as indicated by the headings of the various columns and in accordance with instructions printed on the forms before the close of the business day next succeeding the day on which the transactions occur. Where the proprietor of a tax-paid premises defers the making of entries to the next business day, he shall maintain a separate record, such as invoices, of the removals of distilled spirits showing the removal data required to be entered on Record 52 or Form 52E, and appropriate memoranda of other transactions required to be entered on such records for the purpose of correctly making the entries. Where the making of the entries on Form 52C is deferred to the next business day, the proprietor of the internal revenue bonded warehouse shall maintain appropriate memoranda for the purpose of making the entries correctly.

(Secs. 2857, 2859, I. R. C.)

§ 185.1045 Separate record of serial numbers of cases. Serial numbers of cases of distilled spirits disposed of need not be entered on Record 52 or Form 52E, provided the proprietor keeps in his place of business a separate record, approved by the district supervisor, showing such serial numbers, with necessary identifying data, including the date of removal and the name and address of the consignee. Such separate record may be kept in book form (including loose-leaf books) or may consist of commercial papers, such as invoices or bills. Such books, invoices, and bills shall be preserved for a period of four years and in such a manner that the required information may be ascertained readily therefrom, and during such period, shall be available during business hours for inspection and the taking of abstracts therefrom by internal revenue officers. Entries shall be made on such separate approved record before the close of the business day next succeeding the day on which the transactions occur. Where the making of the entries is deferred to the next business day, appropriate memoranda shall be maintained for the purpose of making the entries correctly. The proprietor, whose separate record has been approved by the district supervisor, shall make a notation in the column for

reporting serial numbers, as follows: "Serial numbers shown on commercial records per authority, dated -----"

(Sec. 2857, I. R. C.)

§ 185.1046 Reports. Except as otherwise provided in this section, the proprietor shall file, daily, full and complete transcripts of Record 52 and Forms 52C and 52E (Parts 1 and 2) on Forms 52A, 52B, 52C and 52E (Parts 1 and 2) with the district supervisor, by delivering or mailing them to such officer on the date the transactions entered therein occurred or before the close of the business day next succeeding the day on which the transactions occurred: *Provided*, That in any case in which the district supervisor shall direct, the transcripts shall be so filed with the investigator in charge instead of with the district supervisor. The transcripts shall bear the following certification signed by the person or officer authorized to execute Form 338, 52C, or 52E:

I hereby certify that these transcripts, consisting of ----- pages, disclose all the transactions which occurred during the period covered thereby, and that each entry is correct.

If in any case the district supervisor shall so authorize, the transcripts, in lieu of being filed daily, may be filed with him on or before the 10th day of the month succeeding the month in which the transactions in distilled spirits occurred. In such event, transactions will be entered on Record 52, Form 52C and Form 52E in accordance with the provisions of § 185.1044. Monthly summary reports on Form 338 (where Record 52 is kept) and Form 52E (Part 3) shall be prepared in duplicate, one copy of which will be retained on file and the original forwarded to the district supervisor on or before the 10th day of the month succeeding the month in which the transactions in distilled spirits occurred. The proprietor shall also file a monthly report on Part 2 of Form 52C, in duplicate, with the district supervisor on or before the 10th day of the succeeding month. Records kept on Record 52 and Forms 52C and 52E shall be preserved for a period of 4 years, and during such period shall be available during business hours for inspection and the taking of abstracts therefrom by the Commissioner or any internal revenue officer.

(Secs. 2857, 2859, I. R. C.)

ADDITIONAL REQUIREMENTS

§ 185.1047 Payment of tax, bottling charge, etc., by third party. The proprietor of an internal revenue bonded warehouse shall report, on Form 52-C, when Record 52 is kept, on Part 2 and on transcript, Form 52-B, and when Form 52-E is kept, on Part 2, the name and address of each consignee, in the column now designated "Name." In the column now designated "Address," there will be reported the name and address of the person, firm or corporation paying (by advancement or reimbursement) either tax, bottling charge, brokerage fee, handling charge, or clearance fee, indicating which are included. The heading of

both columns will be amended accordingly.

(Secs. 2857, 2859, I. R. C.)

§ 1048 *Order by third party to ship or deliver distilled spirits.* Where the proprietor of an internal revenue bonded warehouse ships or delivers distilled spirits to a consignee on the order of another wholesale liquor dealer, detailed records of the transactions shall be kept (a) on Form 52-C by the proprietor of the internal revenue bonded warehouse making the shipment or delivery, (b) on Record 52 by the wholesale liquor dealer giving the order, and (c) on Record 52 by the consignee if he is a wholesale liquor dealer. For example, assuming that the proprietor of internal revenue bonded warehouse (A) ships or delivers the distilled spirits to consignee (C) on the order of wholesale dealer (B), entries will be made on the prescribed forms as follows:

(1) The proprietor of the internal revenue bonded warehouse (A) will show in his Form 52-C the name and address of wholesale dealer (B) who ordered the distilled spirits, as well as the name and address of consignee (C), the person to whom the distilled spirits are actually shipped or delivered;

(2) Wholesale dealer (B) will show in his Record 52 that the distilled spirits were purchased from warehouseman (A), giving both the name and address of (A), and will at the same time make an entry showing that the distilled spirits were shipped or delivered by (A) to consignee (C) giving the name and address of (C); and

(3) Consignee (C), if a wholesale liquor dealer, will show in his Record 52 that the distilled spirits were purchased from wholesale dealer (B) and received by him from the proprietor of internal revenue bonded warehouse (A), giving name and address of both. A copy of Form 52-C and transcripts of Record 52 on Forms 52-A and 52-B, required to be filed with the district supervisor, will similarly show the details of such transactions. Where the proprietor of an internal revenue bonded warehouse keeps Record 52, or Form 52-E, and is a party to transactions similar to those described in this section, he shall make similar entries of such transactions in Record 52, or Form 52-E, as the case may be; and the transcripts on Forms 52-A and 52-B, or Form 52-E, respectively, required to be filed with the district supervisor, will likewise show the details of the transactions.

(Secs. 2857, 2859, I. R. C.)

§ 185.1049 *Forms to be provided by users.* Record 52, and Forms 52A, 52B, 52C, 52E, and 338, will be provided by users at their own expense, but must be in the form prescribed by the Commissioner. *Provided*, That with the approval of the Commissioner, they may be modified to adapt their use to tabulating or other mechanical equipment: *Provided further*, That where the form is printed in book form, including loose-leaf books, the instructions may be

printed on the cover or the flyleaf of the book instead of on the individual form.

§ 185.1050 *Record and report of transactions at off-premises export storage room.* Every proprietor of an internal revenue bonded warehouse who maintains an off-premises export storage room at which tax-paid distilled spirits and wines bottled or packaged especially for export are held pending exportation or use as supplies on vessels or aircraft shall keep a record of all such products received and disposed of. The transactions shall be recorded on the date on which they occur and a summary made at the end of the month. A transcript of the record shall be prepared and forwarded to the district supervisor on or before the 10th day of the succeeding month. Form 52-E "Monthly Record and Report of Importer or Proprietor of Tax-paid Premises" shall be used, upon modification of the title of the form and headings of the columns to serve the purpose, in preparing such record and report.

(Sec. 3179, I. R. C.)

SUBPART XX—DISTRICT SUPERVISOR'S ANNUAL REPORT OF SPIRITS IN WAREHOUSE

§ 185.1055 *Form 332.* Each district supervisor shall render an annual report on Form 332, by kind, seasons, and years of production, of distilled spirits in internal revenue bonded warehouses at the close of the fiscal year (June 30), for each State within his district. In the case of blended brandy the season and year of the oldest brandy in the blend shall be considered the season and year of the blended brandy. The entries shall be made as indicated by the headings of the columns and lines and in accordance with the instructions printed on the form. Form 332 shall be prepared in duplicate and one copy shall be forwarded to the Commissioner not later than July 31 of each year. The remaining copy shall be retained by the district supervisor.

SUBPART YY—CONCERNING LOCKS AND SEALS

§ 185.1060 *General.* Except as otherwise provided in this part, the Commissioner will furnish, at the expense of the United States, all Government locks and seals to be used at internal revenue bonded warehouses. District supervisors will see that internal revenue bonded warehouses in their respective districts are fully equipped with locks in good condition, and that the necessary seals are provided for seal locks. District supervisors will bear in mind that Government locks are required upon all doors in the warehouse, including the bottling-in-bond department; upon all shutters opening onto fire escapes; on all openings in storage, gauging and bottling tanks, tank cars, and on the control valves of pipelines which convey spirits to and from tanks; and on the ends of pipelines used to convey spirits to and from the warehouse.

§ 185.1061 *Seal locks.* Seal locks will be used on the entrance door of the

bonded warehouse; on the entrance doors of the bottling-in-bond rooms; on the door of the Government cabinet; and on such other places where the use of seal locks is required by this part or deemed necessary by the district supervisor.

§ 185.1062 *Plain locks.* Plain locks will be used at all other places in the bonded warehouse where locks are required by the provisions of this part.

§ 185.1063 *Custody of locks.* Storekeeper-gaugers are strictly prohibited from entrusting locks, keys, or seals in their charge to any person other than an internal revenue officer entitled to receive them, and under no circumstances will they permit locks to remain open, whether hanging by the shackle or otherwise.

§ 185.1064 *Cap seals.* All unions, flanges, and other connections in pipelines installed for the entry of spirits into warehouse tanks and the withdrawal of spirits from such tanks, which connections are not welded or brazed or otherwise secured, must be securely connected and sealed with seals approved by the Commissioner. A special type of seal, serially numbered, has been approved for such use. This seal has, for the purpose of identification, been designated a "Cap" seal.

§ 185.1065 *Breaking of sealed connections prohibited.* Sealed connections must not be broken by the proprietor for any reason, except in cases of emergency and then only after notifying the storekeeper-gauger in charge or the district supervisor. Where the proprietor desires to make changes in the equipment involving the breaking of a sealed connection he will follow the procedure prescribed in § 185.262.

§ 185.1066 *Removal of cap seals.* Except as provided in § 185.1065, cap seals which have been affixed will be removed only by a storekeeper-gauger or some other officer designated for the purpose by the district supervisor. The officer will destroy all removed cap seals in a manner sufficient to prevent their reuse.

SUBPART ZZ—SAFEGUARDING GOVERNMENT PROPERTY

§ 185.1070 *Storage in Government cabinet.* Government seals, locks not in use, the Government officer's records, other Government property when not in use, and the proprietor's supply of strip stamps, shall be kept in a Government cabinet which shall be locked with a Government seal lock, the key to which at all times shall remain in the possession of the storekeeper-gauger. The storekeeper-gauger must not leave the cabinet open except in his immediate presence, nor give the key thereof to anyone except another Government officer authorized to receive it. Where it is necessary to open the cabinet at various times during the day, the lock will not be seal-locked until the close of business.

[P. R. Doc. 50-4391; Filed, May 29, 1950; 8:46 a. m.]

DEPARTMENT OF AGRICULTURE

Production and Marketing
Administration

[7 CFR, Part 927]

[Docket No. AO-71-A-20]

HANDLING OF MILK IN THE NEW YORK
METROPOLITAN MILK MARKETING AREA

NOTICE OF EXTENSION OF TIME FOR FILING EXCEPTIONS TO RECOMMENDED DECISION WITH RESPECT TO PROPOSED AMENDMENT TO TENTATIVE MARKETING AGREEMENT AND TO ORDER, AS AMENDED

Pursuant to the provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U. S. C. 601 et seq.) and the applicable rules of practice and procedure governing the formulation of marketing agreements and orders (7 CFR, Part 900), notice is hereby given that the time for filing exceptions to the recommended decision with respect to a proposed amendment to the tentative marketing agreement and to the order, as amended, regulating the handling of milk in the New York metropolitan milk marketing area, which was issued on May 16, 1950 (15 F. R. 3064), is hereby extended to June 9, 1950.

Dated: May 25, 1950.

[SEAL] JOHN I. THOMPSON,
Assistant Administrator.[F. R. Doc. 50-4638; Filed, May 29, 1950;
8:50 a. m.]

[7 CFR, Part 932]

[Docket No. AO-33-A 15]

HANDLING OF MILK IN FORT WAYNE, IND.,
MARKETING AREA

NOTICE OF POSTPONEMENT OF HEARING ON PROPOSED AMENDMENTS TO TENTATIVELY APPROVED MARKETING AGREEMENT, AND TO ORDER, AS AMENDED

Notice is hereby given that the hearing on proposed amendments to the tentatively approved marketing agreement and to the order, as amended, regulating the handling of milk in the Fort Wayne, Indiana, marketing area, originally scheduled to begin at 10:00 a. m., c. d. s. t., at the Van Orman Hotel, 128 West Berry Street, Fort Wayne, Indiana on June 1, 1950 (F. R. Doc. 50-4268, 15 F. R. 2948), is hereby indefinitely postponed.

Dated: May 29, 1950.

[SEAL] JOHN I. THOMPSON,
Assistant Administrator.[F. R. Doc. 50-4729; Filed, May 29, 1950;
3:26 p. m.]

NOTICES

DEPARTMENT OF STATE

[Public Notice 47]

CHIEF, EXCHANGES DIVISION, OFFICE OF
THE UNITED STATES HIGH COMMISSIONER
FOR GERMANY

DELEGATION OF AUTHORITY

Pursuant to authority contained in section 4 of Public Law 73, 81st Congress, It is hereby ordered, That the Chief, Exchanges Division, Office of the United States High Commissioner for Germany, is authorized to make, amend or terminate grants: (a) to German students, trainees, teachers, guest instructors, professors and leaders in fields of specialized knowledge or skill, and (b) to teachers, guest instructors, professors and leaders in fields of specialized knowledge and skill from other European countries, for the purpose of carrying out exchange of persons programs between Germany and other European countries administered or serviced by the Office of the United States High Commissioner for Germany under authority vested in the Department of State.

Issued: May 22, 1950.

This delegation shall take effect as of
May 22, 1950.

For the Secretary of State.

CARLISLE A. HUMELSINE,
Acting Deputy Under Secretary
for Administration.[F. R. Doc. 50-4609; Filed, May 29, 1950;
8:47 a. m.]

DEPARTMENT OF THE INTERIOR

Bureau of Land Management

NEW MEXICO

CLASSIFICATION ORDER

MAY 23, 1950.

1. Pursuant to the authority delegated to me by the Director, Bureau of Land Management, by Order No. 319 dated July 19, 1948 (43 CFR 50.451 (b) (3), 13 F. R. 4278), I hereby classify under the Small Tract Act of June 1, 1938 (52 Stat. 609), as amended July 14, 1945 (59 Stat. 467, 43 U. S. C. 682a), as hereinafter indicated, the following described lands in the Santa Fe, New Mexico land district, embracing approximately 100 acres,

NEW MEXICO SMALL TRACT CLASSIFICATION
No. 25

For lease and sale for homesites, business sites or combination home and business sites:

T. 29 N., R. 11 W., N. M. P. M., New Mexico,
Sec. 27, W $\frac{1}{2}$ SW $\frac{1}{4}$ SW $\frac{1}{4}$.
Sec. 28, SE $\frac{1}{4}$ SE $\frac{1}{4}$.
Sec. 33, N $\frac{1}{2}$ NE $\frac{1}{4}$ NE $\frac{1}{4}$.
Sec. 34, N $\frac{1}{2}$ NW $\frac{1}{4}$ NW $\frac{1}{4}$.

2. These lands are situated in San Juan County, approximately 1 mile south of the town of Bloomfield and one-half

mile south of the San Juan River. State Highway No. 44 crosses the lands from north to south. Business, educational, religious and recreational facilities are available at Bloomfield and at the nearby towns of Aztec and Farmington. Natural gas and electricity are available. Water is obtainable from wells of Southern Union Gas Company in Section 34, from the San Juan River, or by drilling. The topography of the lands is rolling to hilly, the soil is a sandy clay and the elevation above sea level is approximately 6,000 feet. Mean annual precipitation of moisture is 9.14 inches. Temperatures vary from an occasional low of 35° F. below zero in winter to an occasional high of 106° F. in summer.

3. As to applications regularly filed prior to 8:30 a. m. Mountain standard time on November 14, 1949, and are for the type of site for which the land is classified, this order shall become effective upon the date it is signed.

4. As to the land not covered by applications referred to in paragraph 3, this order shall not become effective to permit leasing under the Small Tract Act of June 1, 1938, as amended, until 10:00 a. m. on July 25, 1950. At that time such land shall, subject to valid existing rights, become subject to application as follows:

(a) Ninety-one day preference period for qualified veterans of World War II from 10:00 a. m. Mountain standard time on July 25, 1950, to close of business on October 24, 1950.

(b) Advance period for veterans' simultaneous filings from 8:30 a. m. November 14, 1949, to 10:00 a. m. on July 25, 1950.

5. Any of the land remaining unappropriated shall become subject to application under the Small Tract Act by the public generally, commencing at 10:00 a. m. October 25, 1950.

(a) Advance period for simultaneous non-preference right filings from 8:30 a. m. on November 14, 1949, to 10:00 a. m. on October 25, 1950.

6. Applications filed within the periods mentioned in paragraphs 4 (b) and (5) (a) above will be treated as simultaneously filed.

7. A veteran shall accompany his application with a complete photostatic, or other copy (both sides), of his certificate of honorable discharge, or of an official document of his branch of the service which shows clearly his honorable discharge as defined in § 181.36 of Title 43 of the Code of Federal Regulations, or constitutes evidence of other facts upon which the claim for preference is based and which shows clearly the period of service. Other persons claiming credit for service of veterans must furnish like proof in support of their claim. Persons asserting preference rights, through settlement or otherwise, and those having equitable claims, shall accompany their applications by duly corroborated state-

ments in support thereof, setting forth in detail all facts relevant to their claims.

8. All of the land will be leased in tracts of approximately 5 acres, each being approximately 330 feet by 660 feet. The longer dimensions of the tracts in the NW $\frac{1}{4}$ SW $\frac{1}{4}$ SW $\frac{1}{4}$ Section 27, SE $\frac{1}{4}$ SE $\frac{1}{4}$ Section 28 and the N $\frac{1}{2}$ NE $\frac{1}{4}$ NE $\frac{1}{4}$ Section 33 should extend east and west.

The longer dimensions of the tracts in the SW $\frac{1}{4}$ SW $\frac{1}{4}$ SW $\frac{1}{4}$ Section 27 and N $\frac{1}{2}$ NW $\frac{1}{4}$ NW $\frac{1}{4}$ Section 34 should extend north and south.

9. Preference right leases referred to in paragraph 3 will be issued for the land described in the application irrespective of the direction of the tract, provided the tract conforms to or is made to conform to the area and the dimensions specified in paragraph 8.

10. Where only one five-acre tract in a ten-acre subdivision is embraced in a preference right application, an application for the remaining five-acre tract extending in the same direction will be accepted in order to fill out the subdivision, notwithstanding the direction specified in paragraph 8.

11. Leases will be for a period of five years.

(a) Where applications are filed for homesites only, the annual rental of \$5.00 will be payable for the entire lease period in advance of the issuance of the lease.

(b) Where applications are filed for business sites only, the minimum rental of \$20.00 per annum shall be charged, payable for the first year in advance of the issuance of the lease and payable for all succeeding years not later than 30 days in advance of the expiration of the preceding lease year, or the entire rental for the 5-year lease period may be paid in advance at the option of the lessee.

(c) Where applications are filed for combination home and business sites the rental for homesite purposes shall be \$5.00 per annum payable for the entire lease period in advance, and \$20.00 additional per annum for the privilege of using the land for business purposes, the rental for business purposes to be paid on the same terms and conditions as set forth in 11 (b).

(d) In any and all cases where applications are filed and leases issued for business sites only, or for combination home and business sites, the \$20.00 business rental shall be the minimum rental for that purpose, and the lessee shall be obligated to pay additional rental at the rate fixed in the schedule of rentals in effect at the date of approval of his lease if his gross receipts from the business conducted on the leased tract shall exceed \$2,000.00 per annum. Such lessees or their authorized representatives shall, within 60 days after the expiration of each lease year, submit to the Manager of the New Mexico Land and Survey Office a statement of the amount of his gross receipts for the preceding year. Authorized representatives of the Department of the Interior shall, at all times within customary business hours, have the right to inspect and examine the lessee's accounts and to inspect the premises leased.

12. Leases issued for these lands will contain an option to purchase clause at

the appraised value of \$50.00 per tract, application for which may be filed at or after the expiration of one year from the date the lease issued, provided that improvements, appropriate to the purpose for which the lease is issued and which meet with the approval of the Regional Administrator shall have been constructed upon the lands, prior to filing of the application for purchase.

(a) Leases issued under the terms of this order shall not be subject to assignment unless and until improvements as mentioned above in this paragraph shall have been completed.

(b) Leases for lands upon which the improvements above mentioned shall not have been constructed at or before the expiration thereof shall not be renewed, except for sufficient showing of cause for failure to erect said improvements during the life of the lease.

13. Lessees and/or their successors in interest shall comply with all Federal, State, County and municipal laws and ordinances, especially those governing health and sanitation, and failure or refusal to do so may be cause for cancellation of the lease in the discretion of the authorized official of the Bureau of Land Management.

14. Rights-of-way for road and street purposes are reserved as follows:

(a) The right-of-way as heretofore approved for State Highway No. 44 and it shall be understood that all tracts leased and/or sold shall be subject to said right-of-way.

(b) A right-of-way 33 feet in width for a road beginning at a point approximately 290 feet south of the point marking the northeast corner of the NW $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 34 and thence extending in a northwesterly direction across the entire N $\frac{1}{2}$ NW $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 34 and into the NE $\frac{1}{4}$ NE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 33 to a junction with the before-mentioned State Highway No. 44.

(c) In addition to the above designated right-of-way, a strip 33 feet in width is reserved for right-of-way as may be needed, from each tract, and said 33 feet may be taken for street, road or alley from any edge of any of said tracts. The said rights-of-way may, in the discretion of the authorized officer of the Bureau of Land Management, be definitely located prior to the issuance of patent. If not so located, they may be subject to location after patent is issued. All rights-of-way herein mentioned and reserved may be utilized by the Federal Government, or the State, County or municipality in which the tract is situated, or by any agency thereof.

15. Survey of individual tracts shall be at the expense of the applicant for lease or purchase. Plat showing the approximate locations of said rights-of-way is on file in the New Mexico Land and Survey Office at Santa Fe, New Mexico.

16. All leases and patents issued shall contain a reservation to the United States of all fissionable material sources, and all minerals together with the right to prospect for, mine and remove the same under applicable laws and regulations.

17. All inquiries relating to these lands shall be addressed to the Manager, New

Mexico Land and Survey Office, Santa Fe, New Mexico.

E. R. SMITH,
Regional Administrator.

[F. R. Doc. 50-4614; Filed, May 29, 1950;
8:48 a. m.]

FEDERAL COMMUNICATIONS COMMISSION

[Docket Nos. 8209, 9526, 9669]

COAST BROADCASTERS ET AL.

ORDER CONTINUING HEARING

In re applications of Deal O. Wilkins and Howard R. Marks, d/b as Coast Broadcasters, Astoria, Oregon, Docket No. 8209, File No. BP-5460; C. H. Fisher and Harvey S. Benson, d/b as Seaside Broadcasting Company, Seaside, Oregon, Docket No. 9526, File No. BP-7375; LeRoy E. Parsons and Richard F. Denbo d/b as Clatsop Video Broadcasters, Astoria, Oregon, Docket No. 9669, File No. BMP-5086; for construction permits.

The Commission having under consideration a petition filed on May 19, 1950, by LeRoy E. Parsons and Richard F. Denbo, d/b as Clatsop Video Broadcasters, Astoria, Oregon, requesting that the hearing now scheduled to be held on Monday, May 22, 1950, at Washington, D. C., on the above-entitled applications, be continued in order to afford this Commission an opportunity to process and act upon petitions, which have been, or will be, filed on behalf of Deal O. Wilkins and Howard R. Marks, d/b as Coast Broadcasters, Astoria, Oregon, and C. H. Fisher and Harvey S. Benson, d/b as Seaside Broadcasting Company, Seaside, Oregon, to dismiss their respective applications without prejudice; and

It appearing, that all of the parties to this proceeding have consented to the continuance as requested;

It is ordered, This 19th day of May 1950, that the petition be, and it is hereby, granted; and that the said hearing on the above-entitled applications be, and it is hereby, continued until further order.

FEDERAL COMMUNICATIONS COMMISSION,

[SEAL] T. J. SLOWIE,
Secretary.

[F. R. Doc. 50-4625; Filed, May 29, 1950;
8:50 a. m.]

[Docket Nos. 8691, 8692, 9382]

MARION BROADCASTING CO. (WMRN) ET AL.

CORRECTED ORDER SCHEDULING HEARING

In re applications of Marion Broadcasting Company (WMRN), Marion, Ohio; Docket No. 9382, File No. BP-7023; the Fort Industry Company (WJBK), Detroit, Michigan, Docket No. 8691, File No. BP-6235; James Gerity, Jr. (WABJ), Adrian, Michigan, Docket No. 8692, File No. BP-6251; for construction permits.

At a session of the Federal Communications Commission, held at its offices in Washington, D. C., on the 12th day of May 1950:

The Commission having under consideration several petitions and oppositions filed by the Fort Industry Company (WJBK) and James Gerity, Jr. (WABJ), which petitions were merged in, and superseded by, petitions by the Fort Industry Company and James Gerity, Jr., filed October 20, 1949, and supplements thereto requesting reconsideration, severance and grant of both applications without hearing in accordance with their amended proposals.

It appearing, that, the applications of the Fort Industry Company and James Gerity, Jr., are mutually contingent; and

It further appearing, that in view of the possibility of interference with Class I-B stations, WTOP and KSTP, the questionable stability of the proposed directional antenna array, and the failure to meet the requirements of the Standards of Good Engineering Practice, the Commission is unable to determine that a grant of the Fort Industry Company application, as amended, would be in the public interest;

It is ordered, That the above-described petitions of the Fort Industry Company and James Gerity, Jr., are denied and the hearing upon the above-entitled applications is scheduled to commence at Washington, D. C. at 10:00 a. m., on July 27, 1950, upon issues previously specified in the Commission's order of December 18, 1947, February 9, 1949, and July 13, 1949.

FEDERAL COMMUNICATIONS
COMMISSION,

[SEAL] T. J. SLOWIE,
Secretary.

[F. R. Doc. 50-4626; Filed, May 29, 1950;
8:50 a. m.]

FEDERAL POWER COMMISSION

[Docket No. E-6258]

BRAZOS RIVER CONSERVATION AND
RECLAMATION DISTRICT

ORDER SETTING HEARING

The Brazos River Conservation and Reclamation District of Mineral Wells, Texas, licensee for Possum Kingdom (Morris Sheppard) Project No. 1490, filed a declaration of intention on January 10, 1950, to construct three hydroelectric power developments on Brazos River to be located some 34, 73, and 147.5 miles, respectively, downstream from Possum Kingdom.

Declarant proposes to construct, maintain and operate at Turkey Creek site (mile 656) a 79-foot-high dam with a reservoir capacity of 114,000 acre-feet, of which 18,000 acre-feet will be useful power storage capacity, and power installation 21,256 kv.-a.; at Inspiration Point (mile 617) an 82-foot-high dam with a reservoir capacity of 165,000 acre-feet of which 29,000 acre-feet will be useful power storage capacity, and power installation 25,000 kv.-a.; at De Cordova Bend (mile 542.5) an 83-foot-high dam with a reservoir capacity of 160,000 acre-feet of which 100,000 acre-feet will be useful power storage capacity, and power installation 43,478 kv.-a. The lowermost proposed dam at De Cordova Bend will be situated about 289 miles

upstream from the section of the Brazos River which has been declared navigable.

The Possum Kingdom project is located 690 miles above the mouth of the Brazos River and has a gross storage of 750,000 acre-feet at elevation 1000. The Possum Kingdom reservoir impounds 635,000 acre-feet of usable power storage in 70 feet of drawdown. The net head is 115 feet at full station load of 25,000 kilowatts, and the overall water use of 3370 cfs.

The Whitney project is a multiple-purpose project now under construction by the Department of the Army at mile 442.4 which is downstream from the three developments proposed by the declarant. Whitney dam is being constructed to a height of 155 feet to provide controlled storage capacity of 2,017,500 acre-feet including 1,375,300 acre-feet of flood-control storage, 386,900 acre-feet of power storage, and 255,300 acre-feet of dead storage. Initial installation for power will be two 15,000 kilowatt units, making a total of 30,000 kilowatts.

The declarant has requested that the Commission find, among other things, that the proposed construction, maintenance, and operation will not affect adversely or otherwise the interests of interstate or foreign commerce. The Commission has caused a preliminary investigation to be made by its staff and this investigation indicates that the interests of interstate or foreign commerce may be affected by the construction, maintenance, and operation of the proposed developments.

The Commission finds: It is appropriate and in the public interest to hold a public hearing respecting the matters involved and the issues presented by the declaration of intention.

The Commission orders:

A public hearing be held commencing on June 8, 1950, at 10:00 a. m., e. d. s. t., in the Hearing Room of the Federal Power Commission, 1800 Pennsylvania Avenue NW., Washington, D. C., respecting the matters involved and the issues presented in this proceeding.

Date of issuance: May 23, 1950.

By the Commission.

[SEAL] LEON M. FUQUAY,
Secretary.

[F. R. Doc. 50-4607; Filed, May 29, 1950;
8:47 a. m.]

[Docket No. G-1361]

REPUBLIC LIGHT, HEAT & POWER CO., INC.

ORDER FIXING DATE OF HEARING

On April 10, 1950, Republic Light, Heat & Power Company, Inc. (Applicant), a New York corporation having its principal place of business in Buffalo, New York, filed an application for a certificate of public convenience and necessity pursuant to section 7 of the Natural Gas Act, as amended, authorizing the construction and operation of certain natural-gas transmission facilities, subject to the jurisdiction of the Commission, as fully described in such application on file with the Commission and open to public inspection.

Applicant has requested that this application be heard under the shortened procedure provided by § 1.32 (b) of the Commission's rules of practice and procedure for non-contested proceedings, and this proceeding appears to be a proper one for disposition under the aforesaid rule, provided no request to be heard, protest or petition raising an issue of substance is filed subsequent to the giving of due notice of the filing of the application, including publication in the FEDERAL REGISTER on April 22, 1950 (15 F. R. 2277).

The Commission orders:

(A) Pursuant to authority contained in and subject to the jurisdiction conferred upon the Federal Power Commission by sections 7 and 15 of the Natural Gas Act, as amended, and the Commission's rules of practice and procedure, a public hearing be held on June 20, 1950, at 9:30 a. m., e. d. s. t., in the Hearing Room of the Federal Power Commission, 1800 Pennsylvania Avenue NW., Washington, D. C., concerning the matters involved and the issues presented by such application: *Provided, however,* That the Commission may, after a non-contested hearing, forthwith dispose of the proceeding pursuant to the provisions of § 1.32 (b) of the Commission's rules of practice and procedure.

(B) Interested State commissions may participate as provided by §§ 1.8 and 1.37 (f) of the said rules of practice and procedure.

Date of issuance: May 23, 1950.

By the Commission.

[SEAL] LEON M. FUQUAY,
Secretary.

[F. R. Doc. 50-4608; Filed, May 29, 1950;
8:47 a. m.]

[Docket No. G-1391]

NEW YORK STATE NATURAL GAS CORP. AND
TEXAS EASTERN TRANSMISSION CORP.

NOTICE OF APPLICATION

MAY 24, 1950.

Take notice that New York State Natural Gas Corporation (New York State Natural), a New York corporation having its principal office at 30 Rockefeller Plaza, New York, New York, and Texas Eastern Transmission Corporation (Texas Eastern), a Delaware corporation having its principal place of business at Shreveport, Louisiana, filed on May 16, 1950, a joint application for a certificate of public convenience and necessity pursuant to section 7 of the Natural Gas Act, as amended, authorizing the acquisition, construction and operation of certain natural gas transmission pipeline and underground natural gas storage facilities hereinafter described.

Applicants propose to acquire as tenants in common certain production properties in Westmoreland County, Pennsylvania, from The Peoples Natural Gas Company and to develop and operate such properties for the storage of natural gas by drilling new wells, reworking active wells, reconditioning abandoned wells, replugging abandoned wells and

constructing approximately 13 miles of 20-inch trunk gathering lines, 87,000 feet of 8-inch well lines, 86,000 feet of 6-inch well lines, three pool meters, two measuring stations, 173 individual well measuring stations, one compressor station, and appurtenant facilities and necessary structures and equipment for storage of 45,000,000 Mcf. of cushion gas and 60,000,000 Mcf. of circulating gas. Also New York State Natural proposes to construct approximately 70 miles of 20-inch pipeline extending from the proposed storage area to a point of connection with the facilities of the East Ohio Gas Company at or near the Ohio-Pennsylvania State line, and Texas Eastern proposes to construct approximately 35 miles of 30-inch lateral pipeline extending from its existing facilities in Fayette County, Pennsylvania, to the proposed storage area.

The estimated cost of the facilities proposed to be constructed and acquired by New York State Natural is \$20,385,877. The estimated cost of the facilities proposed to be constructed and acquired by Texas Eastern is \$18,366,892.

Protests or petitions to intervene may be filed with the Federal Power Commission, Washington 25, D. C., in accordance with the rules of practice and procedure (18 CFR 1.8 or 1.10) on or before the 12th day of June 1950. The application is on file with the Commission for public inspection.

[SEAL] LEON M. FUQUAY,
Secretary.

[F. R. Doc. 50-4605; Filed, May 29, 1950;
8:47 a. m.]

[Docket No. G-1393]

EQUITABLE GAS CO.

NOTICE OF APPLICATION

MAY 23, 1950.

Take notice that Equitable Gas Company (Applicant), a Pennsylvania corporation, address, Pittsburgh, Pennsylvania, filed on May 17, 1950, an application for a certificate of public convenience and necessity pursuant to section 7 of the Natural Gas Act, authorizing the construction and operation of natural gas facilities to be located approximately 3 miles from Waynesburg, Pennsylvania, and consisting of a compressing station to be known as Pratt Station, a dehydration plant at said compressing station, and a total of 32,200 feet of 16-inch, 4,700 feet of 12-inch, 42,000 feet of 6-inch and 11,000 feet of 8-inch pipe lines connecting said Pratt Station with other pipelines of Applicant, with the facilities of Texas Eastern Transmission Corporation, and with Applicant's proposed Pratt Storage Pool and its existing Jefferson Storage Pool.

Applicant proposes to install four 880 hp. gas engine driven compressor units in said Pratt Station three of which will be utilized during the winter to relay natural gas on Applicant's system, thereby increasing the capacity thereof by 21,000 Mcf of natural gas daily, and during the summer, said units will be used to compress gas for storage in said Pratt and Jefferson storage pools. The fourth

unit is proposed to be used at present for pumping approximately 4,000 Mcf per day of local field gas into Applicant's system and will be available for future transmission operations. Applicant proposes to utilize the dehydration plant to treat all gas compressed at said Pratt Station. Applicant proposes to utilize a segment of 16-inch line as an intake line and a segment of 12-inch line as a discharge line to connect its Pratt Station with its Tepe-Hawkins 16-inch transmission pipeline. 2,500 feet of 16-inch line will be used by applicant to receive and place in storage natural gas received from the Texas Eastern Transmission Corporation, and the 8-inch and 6-inch lines will be used for delivery of gas from Pratt Station to Jefferson and Pratt storage pools and for withdrawals of gas therefrom.

The estimated cost of the proposed facilities is \$1,684,700. The proposed financing will be from funds available to Applicant from operations and from the proceeds of a sale in 1950, subject to approval of regulatory bodies, of approximately \$2,000,000 of additional First Mortgage Bonds.

Protests or petitions to intervene may be filed with the Federal Power Commission, Washington 25, D. C., in accordance with the rules of practice and procedure (18 CFR 1.8 or 1.10) on or before the 12th day of June 1950. The application is on file with the Commission for public inspection.

[SEAL] LEON M. FUQUAY,
Secretary.

[F. R. Doc. 50-4606; Filed, May 29, 1950;
8:47 a. m.]

[Docket No. E-6297]

NORTHWESTERN PUBLIC SERVICE CO.

NOTICE OF APPLICATION

MAY 24, 1950.

Take notice that on May 23, 1950, an application was filed with the Federal Power Commission, pursuant to section 204 of the Federal Power Act, by Northwestern Public Service Company, a corporation organized under the laws of the State of Delaware, with its principal business office at Huron, South Dakota, seeking an order authorizing the issuance of 7,000 shares of 5¼ percent Cumulative Preferred Stock (1950), of the par value of \$100 per share, and 49,200 shares of Common Stock, of the par value of \$3 per share. The 7,000 shares of proposed Cumulative Preferred Stock is to be sold by private placement and the shares of Common Stock, not to exceed 49,200 shares, is proposed to be offered to the holders of the company's outstanding Common Stock in accordance with the preemptive rights of such holders, on a pro-rata basis, at the rate of one share of new Common Stock for each ten shares of Common Stock then held or at an appropriate related figure if the number of shares of Common Stock which may be issued is less than 49,200. The company proposes to enter into an underwriting agreement with a group of underwriters to be formed by A. C. Allyn and Company,

Incorporated, under which the underwriters will purchase all shares of Common Stock which may be so offered and which are not taken up through the exercise of the subscription warrants which will be issued in connection with the offering to the stockholders; all as more fully appears in the application on file with the Commission.

Any person desiring to be heard, or to make any protest with reference to said application should, on or before the 14th day of June 1950, file with the Federal Power Commission, Washington 25, D. C., a petition or protest in accordance with the Commission's rules of practice and procedure.

[SEAL] LEON M. FUQUAY,
Secretary.

[F. R. Doc. 50-4622; Filed, May 29, 1950;
8:49 a. m.]

FEDERAL TRADE COMMISSION

[File No. 21-427]

COCOA AND CHOCOLATE INDUSTRY

NOTICE OF HEARING AND OF OPPORTUNITY TO PRESENT VIEWS, SUGGESTIONS, OR OBJECTIONS WITH RESPECT TO PROPOSED TRADE PRACTICE RULES

Opportunity is hereby extended by the Federal Trade Commission to any and all persons, partnerships, corporations, organizations, or other parties, affected by or having an interest in the proposed trade practice rules for the cocoa and chocolate industry, to present to the Commission their views concerning said rules, including such pertinent information, suggestions, or objections as they may desire to submit, and to be heard in the premises. For this purpose they may obtain copies of the proposed rules upon request to the Commission. Such views, information, suggestions, or objections may be submitted by letter, memorandum, brief, or other communication to be filed with the Commission not later than June 16, 1950. Opportunity to be heard orally will be afforded at the hearing beginning at 10 a. m., d. s. t., June 16, 1950, in Room 332, Federal Trade Commission Building, Pennsylvania Avenue at Sixth Street NW., Washington, D. C., to any such persons, partnerships, corporations, organizations, or other parties who desire to appear and be heard. After due consideration of all matters presented in writing or orally, the Commission will proceed to final action on the proposed rules.

Issued: May 25, 1950.

By the Commission.

[SEAL] D. C. DANIEL,
Secretary.

[F. R. Doc. 50-4620; Filed, May 29, 1950;
8:49 a. m.]

[Docket 204-2]

ATHLETIC GOODS MANUFACTURERS' ASSN.

APPLICATION FOR EXEMPTION

Pursuant to the provisions of section 4 (d) of the Wool Products Labeling Act

and the formal notice of proceedings and opportunity to be heard issued March 20, 1950, the Federal Trade Commission has considered the application of Athletic Goods Manufacturers' Association, Chicago, Illinois, for the exemption of baseballs and tennis balls from the requirements of the Wool Products Labeling Act, together with all written data, views and arguments presented thereon by interested parties in accordance with said notice, and it hereby makes the following determination and announcement.

In view of the preponderance of information presented in the proceedings to the effect that baseballs and tennis balls are marketed primarily on the basis of performance rather than their respective textile contents, the Commission finds that baseballs and tennis balls containing woolen fibers are of such insignificant or inconsequential textile content that the same fall within the class of articles exempted from the labeling requirements of the Wool Products Labeling Act under the provisions of section 4 (d) of such act.

By direction of the Commission.

Issued: May 23, 1950.

[SEAL] D. C. DANIEL,
Secretary.

[F. R. Doc. 50-4621; Filed, May 29, 1950;
8:49 a. m.]

INTERSTATE COMMERCE COMMISSION

[4th Sec. Application No. 25124]

ASPHALT FROM CHARLESTON, S. C., TO
LUMBERTON AND PEMBROKE, N. C.

APPLICATION FOR RELIEF

MAY 25, 1950.

The Commission is in receipt of the above-entitled and numbered application for relief from the long-and-short-haul provision of section 4 (1) of the Interstate Commerce Act.

Filed by: R. E. Boyle, Jr., Agent, for and on behalf of the Atlantic Coast Line Railroad Company and other carriers named in the application.

Commodities involved: Asphalt, liquid, tank carloads.

From: Charleston, South Carolina.

To: Lumberton and Pembroke, North Carolina.

Grounds for relief: Circuitous routes.

Schedules filed containing proposed rates: W. P. Emerson, Jr.'s tariff I. C. C. No. 369, Supplement 52.

Any interested person desiring the Commission to hold a hearing upon such application shall request the Commission in writing so to do within 15 days from the date of this notice. As provided by the general rules of practice of the Commission, Rule 73, persons other than applicants should fairly disclose their interest, and the position they intend to take at the hearing with respect to the application. Otherwise the Commission, in its discretion, may proceed to investigate and determine the matters involved in such application without further or formal hearing. If because of an emergency a grant of temporary relief

is found to be necessary before the expiration of the 15-day period, a hearing, upon a request filed within that period, may be held subsequently.

By the Commission, Division 2.

[SEAL] W. P. BARTEL,
Secretary.

[F. R. Doc. 50-4610; Filed, May 29, 1950;
8:47 a. m.]

[4th Sec. Application No. 25125]

AMMONIUM PHOSPHATE FROM TRENTON,
MICH. TO CELRIVER, S. C.

APPLICATION FOR RELIEF

MAY 25, 1950.

The Commission is in receipt of the above-entitled and numbered application for relief from the long-and-short-haul provision of section 4 (1) of the Interstate Commerce Act.

Filed by: B. T. Jones, Agent, for and on behalf of carriers parties to his tariff I. C. C. No. 3912, pursuant to fourth-section order No. 9800.

Commodities involved: Ammonium phosphate, carloads.

From: Trenton, Michigan.

To: Celriver, South Carolina.

Grounds for relief: Circuitous routes.

Any interested person desiring the Commission to hold a hearing upon such application shall request the Commission in writing so to do within 15 days from the date of this notice. As provided by the general rules of practice of the Commission, Rule 73, persons other than applicants should fairly disclose their interest, and the position they intend to take at the hearing with respect to the application. Otherwise the Commission, in its discretion, may proceed to investigate and determine the matters involved in such application without further or formal hearing. If because of an emergency a grant of temporary relief is found to be necessary before the expiration of the 15-day period, a hearing, upon a request filed within that period, may be held subsequently.

By the Commission, Division 2.

[SEAL] W. P. BARTEL,
Secretary.

[F. R. Doc. 50-4611; Filed, May 29, 1950;
8:47 a. m.]

[4th Sec. Application No. 25126]

SUGAR FROM AND TO POINTS IN OFFICIAL
TERRITORY

APPLICATION FOR RELIEF

MAY 25, 1950.

The Commission is in receipt of the above-entitled and numbered application for relief from the long-and-short-haul provision of section 4 (1) of the Interstate Commerce Act.

Filed by: C. W. Boin and I. N. Doe, Agents, for and on behalf of carriers parties to Agent Boin's tariff I. C. C. No. A-840.

Commodities involved: Sugar, beet or cane, dry and liquid, carloads.

From and to points in official territory.

Grounds for relief: Circuitous routes, competition with motor carriers and to maintain grouping.

Schedules filed containing proposed rates:

Sup. 208, C. W. Boin's tariff I. C. C. No. A-331 et al. Sup. 50, I. N. Doe's tariff I. C. C. No. 370 et al. Sup. 182, B&M tariff I. C. C. No. A-3050. Sup. 221, NYC (B&A) tariff I. C. C. No. 303. Sup. 15, NYNH&H tariff I. C. C. No. F-4120 et al.

Any interested person desiring the Commission to hold a hearing upon such application shall request the Commission in writing so to do within 15 days from the date of this notice. As provided by the general rules of practice of the Commission, Rule 73, persons other than applicants should fairly disclose their interest, and the position they intend to take at the hearing with respect to the application. Otherwise the Commission, in its discretion, may proceed to investigate and determine the matters involved in such application without further or formal hearing. If because of an emergency a grant of temporary relief is found to be necessary before the expiration of the 15-day period, a hearing, upon a request filed within that period, may be held subsequently.

By the Commission, Division 2.

[SEAL] W. P. BARTEL,
Secretary.

[F. R. Doc. 50-4612; Filed, May 29, 1950;
8:48 a. m.]

[4th Sec. Application No. 25127]

NEWSPRINT PAPER FROM ALABAMA TO
HOUSTON AND GALVESTON, TEX.

APPLICATIONS FOR RELIEF

MAY 25, 1950.

The Commission is in receipt of the above-entitled and numbered application for relief from the long-and-short-haul provision of section 4 (1) of the Interstate Commerce Act.

Filed by: D. Q. Marsh, Agent, for and on behalf of carriers parties to his tariff I. C. C. No. 3845.

Commodities involved: Newsprint paper, carloads.

From: Coosa Pines and Childersburg, Alabama.

To: Houston and Galveston, Texas.

Grounds for relief: Competition with water-rail carriers.

Schedules filed containing proposed rates: D. Q. Marsh's tariff I. C. C. No. 3905.

Any interested person desiring the Commission to hold a hearing upon such application shall request the Commission in writing so to do within 15 days from the date of this notice. As provided by the general rules of practice of the Commission, Rule 73, persons other than applicants should fairly disclose their interest, and the position they intend to take at the hearing with respect to the application. Otherwise the Commission, in its discretion, may proceed to investigate and determine the matters involved in such application without further or formal hearing. If because of an emergency a grant of temporary relief is

found to be necessary before the expiration of the 15-day period, a hearing, upon a request filed within that period, may be held subsequently.

By the Commission, Division 2.

[SEAL]

W. P. BARTEL,
Secretary.

[F. R. Doc. 50-4613; Filed, May 29, 1950;
8:48 a. m.]

SECURITIES AND EXCHANGE COMMISSION

[File No. 812-672]

OLD HICKORY CHEMICAL CO.

NOTICE OF APPLICATION

At a regular session of the Securities and Exchange Commission, held at its office in the city of Washington, D. C., on the 24th day of May A. D. 1950.

Notice is hereby given that Old Hickory Chemical Company ("Applicant") of Wilmington, Delaware, an affiliated person of and controlled by E. I. du Pont de Nemours and Company, which is an affiliated person of and presumptively controlled by Christiana Securities Company ("Christiana"), a closed-end non-diversified management company registered under the Investment Company Act of 1940, has filed an application pursuant to Rule N-17D-1 of the general rules and regulations under the act regarding a proposed amendment to the Applicant's pension and retirement plan to be adopted upon approval by the stockholders of the Applicant. The proposed transaction would involve or may from time to time involve participation by affiliated persons of a registered investment company (Christiana) or of a company (Applicant) controlled by such registered investment company (Christiana) in a pension and retirement plan in which such controlled company (Applicant) is a participant, and the participation of such affiliated persons in said plan of said controlled company (Applicant) is or would be prohibited by Rule N-17D-1 unless an application regarding such plan has been filed with the Commission and has been granted by order entered prior to the submission of such plan to security holders for approval, or prior to the adoption thereof if not so submitted.

It appears from the application that such proposed amendment would provide alternate formulas for the computation of pensions for present pensioners and for employees who may retire in the future, one formula to be used with respect to such persons who are eligible for a "government pension" and the other formula to be used for such persons who are not eligible for a "government pension". The term "government pension" is defined in the application to mean "any pension, annuity, or similar benefit (other than those attributable to services in the armed forces) authorized under the laws or regulations of any nation or state or any political subdivision thereof, which pension is attributable to the individual's employment". It further appears from the application that under Applicant's present plan, the pension

payable in any month shall not be more than \$1,250 and that under the plan as proposed for amendment the maximum total retirement income of a pensioner would be limited to \$2,500 per month. It is estimated that the annual cost of the Applicant of maintaining the plan will be increased if the proposed amendment is adopted. Pension reserve accruals for 1949 under the present plan aggregated approximately \$13,900, and if the plan as proposed to be amended had been in effect during 1949 the accruals for that year would have been increased by about \$6,700 (48%) making a total of \$20,600.

For a more detailed statement of the matters of fact and law asserted, all interested persons are referred to said application which is on file in the offices of the Commission in Washington, D. C.

Notice is further given that an order granting the application may be issued by the Commission at any time on or after June 9, 1950, unless prior thereto a hearing upon the application is ordered by the Commission, as provided in Rule N-5 of the rules and regulations promulgated under the act. Any interested person may, not later than June 7, 1950, at 5:30 p. m., in writing submit to the Commission his views or any additional facts bearing upon this application or the desirability of a hearing thereon, or request the Commission in writing that a hearing be held thereon. Any such communication or request should be addressed: Secretary, Securities and Exchange Commission, 425 Second Street NW., Washington 25, D. C., and should state briefly the nature of the interest of the person submitting such information or requesting a hearing, the reasons for such request, and the issues of fact or law raised by the application which he desires to controvert.

By the Commission.

[SEAL]

ORVAL L. DuBOIS,
Secretary.

[F. R. Doc. 50-4604; Filed, May 29, 1950;
8:46 a. m.]

[File Nos. 54-159, 54-160, 54-162, 54-164]

INTERNATIONAL HYDRO-ELECTRIC SYSTEM NOTICE OF FILING AND ORDER RECONVENING HEARING

At a regular session of the Securities and Exchange Commission, held at its office in the city of Washington, D. C., on the 26th day of May A. D. 1950.

The Commission on December 6, 1949, having issued its findings, opinion and order herein approving for submission to the District Court of the United States for the District of Massachusetts ("the enforcement court") Part II of the Trustee's Second Plan for the liquidation and dissolution of International Hydro-Electric System, subject to the condition that at least \$5,000,000 worth of common stock of Gatineau Power Company be sold under said Part II and that the Trustee sell more than this amount if he can do so advantageously, and subject to the further condition that the Trustee report the results of negotiations for

the sale of such stock and for the making of a short-term loan not exceeding \$10,000,000, as provided in said Part II, and that an order of approval be entered by this Commission prior to the consummation of any sale or loan; and

The enforcement court having on January 26, 1950, entered an order approving Part II of the Plan subject to the aforesaid terms and conditions:

Notice is hereby given that on May 25, 1950, the Trustee filed a "Report of Results of Negotiations and Request for Approval of the Terms of the Proposed Disposition of Shares of Common Stock of Gatineau Power Company, and of the Proposed Bank Loans to Retire the Outstanding 6 Percent Debentures of International Hydro-Electric System" pursuant to said orders, which report requests approval by the Commission of the following proposed transactions:

(a) An offer to holders of 6 Percent Debentures of International Hydro-Electric System to exchange their debentures for shares of common stock of Gatineau Power Company, the total number of shares so offered to be limited to 600,000;

(b) An underwriting of the sale of 340,000 shares of common stock of Gatineau Power Company less the number of shares issued to debenture holders pursuant to the exchange offer, with an option for thirty days for the underwriters to purchase 260,000 additional shares less the number of shares issued to debenture holders pursuant to the exchange offer in excess of 340,000 shares;

(c) A borrowing by International Hydro-Electric System from banks of not in excess of \$10,000,000;

(d) The use of the proceeds of the sale of shares of common stock not taken by debenture holders under the exchange offer, the proceeds of borrowings and treasury cash to pay and retire all of the outstanding debentures not surrendered in exchange for common stock of Gatineau Power Company.

Reference is made to said report on file with this Commission for a complete statement of the matters therein contained. The definitive terms of the several proposals and the estimated fees and expenses to be incurred in the consummation thereof will be furnished by supplemental report.

It appearing to the Commission that it is appropriate in the public interest and in the interest of investors and consumers that a hearing be held with respect to the transactions proposed in said report and such further matters as may be appropriate in connection with Part II of the Trustee's Second Plan:

It is ordered, That the hearing on this matter be reconvened before the hearing examiner heretofore designated, or such other officer or officers as the Commission may hereafter designate, on Thursday, June 8, 1950 at 10:00 a. m., e. d. s. t., in the Commission's offices at 425 Second Street NW., Washington 25, D. C., to receive evidence with respect to the Trustee's report and such further evidence as may be appropriate in connection with said Part II of the Trustee's Second Plan. On such day the hearing room clerk in Room 101 will advise as to the room in which such hearing will be held.

It is further ordered, That any person desiring to be heard in connection herewith or proposing to intervene herein, who has not already done so, shall file with the Secretary of the Commission on or before June 6, 1950 his request or application therefor as provided by Rule XVII of the Commission's rules of practice.

It is further ordered, That the Secretary of the Commission shall serve notice of the aforesaid hearing by mailing copies of this notice and order by registered mail to all persons who have entered their appearance herein or to their attorneys of record, and that further notice be given to all persons by publication of this notice and order in the FEDERAL REGISTER.

By the Commission.

[SEAL] ORVAL L. DuBOIS,
Secretary.

[F. R. Doc. 50-4666; Filed, May 29, 1950;
8:49 a. m.]

DEPARTMENT OF JUSTICE

Office of Alien Property

AUTHORITY: 40 Stat. 411, 55 Stat. 839, Pub. Laws 322, 671, 79th Cong., 60 Stat. 50, 925; 50 U. S. C. and Supp. App. 1, 616; E. O. 9193, July 6, 1942, 3 CFR, Cum. Supp., E. O. 9567, June 8, 1945, 3 CFR, 1945 Supp., E. O. 9788, Oct. 14, 1946, 11 F. R. 11981.

[Vesting Order 14661]

ISAO ASHIDA ET AL.

In re: Cash owned by Isao Ashida and others.

Under the authority of the Trading With the Enemy Act, as amended, Executive Order 9193, as amended, and Executive Order 9788, and pursuant to law, after investigation, it is hereby found:

1. That the persons listed in Exhibit A, attached hereto and by reference made a part hereof, each of whose last known address is Japan, are residents of Japan and nationals of a designated enemy country (Japan);

2. That the property described as follows: Cash in the amount of \$752.29 in a special deposit account numbered 19F5875, and entitled "Special Deposits, Suspense, Department of State", owned by the persons listed in Exhibit A in the amounts appearing in Exhibit A opposite the names of said persons, as of March 21, 1950, together with any and all accruals thereto, and any and all rights to demand, enforce and collect the same,

is property within the United States owned or controlled by, payable or deliverable to, held on behalf of, or on account of, or owing to, or which is evidence of ownership or control by, the aforesaid nationals of a designated country (Japan);

and it is hereby determined:

3. That to the extent that the persons referred to in subparagraph 1 hereof are not within a designated enemy country, the national interest of the United States requires that such persons be treated as nationals of a designated enemy country (Japan).

All determinations and all action required by law, including appropriate consultation and certification, having been made and taken, and, it being deemed necessary in the national interest,

There is hereby vested in the Attorney General of the United States the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest of and for the benefit of the United States.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order 9193, as amended.

Executed at Washington, D. C., on May 15, 1950.

For the Attorney General.

[SEAL] HAROLD I. BAYNTON,
Acting Director,
Office of Alien Property.

EXHIBIT A

Name of national	Amount	Office of Alien Property file No.
Isao Ashida.....	\$277.05	F-39-3620-C-1
Shinro Kajii.....	144.07	F-39-6711-C-1
Tokuo Takahashi.....	3.98	F-39-1717-C-4
Kosaku Watanabe.....	86.69	D-39-16843-C-1
Tokusaburo Nakamura.....	26.57	D-39-327-C-1
Seishi Hirotsuchi.....	36.58	F-39-6186-C-1
Kihachiro Kimura.....	37.50	F-39-3655-C-2
Muraichi George Nakanishi.....	9.60	D-39-9434-C-1
Tsuruyo Nakanishi.....	16.00	D-39-9434-C-1
Koji Shindo.....	104.25	F-39-1640-C-1

[F. R. Doc. 50-4628; Filed, May 29, 1950;
8:49 a. m.]

[Vesting Order 14662]

MARGARETE AND FRIEDA BOCK

In re: Debts owing to Margarete Bock and Frieda Bock. F-28-29395, F-28-14446.

Under the authority of the Trading With the Enemy Act, as amended, Executive Order 9193, as amended, and Executive Order 9788, and pursuant to law, after investigation, it is hereby found:

1. That Margarete Bock, whose last known address is Sarnowstrasse 50, Stralsund, Germany, is a resident of Germany and a national of a designated enemy country (Germany);

2. That Frieda Bock, whose last known address is Kastanien, Allee 17c, Charlottenburg 9, Berlin, Germany, is a resident of Germany and a national of a designated enemy country (Germany);

3. That the property described as follows: Those certain debts or other obligations, matured or unmatured, of the Superintendent of Banks for the State of Ohio as Liquidator of The Guardian Trust Company, P. O. Box No. 6537, Cleveland, Ohio, arising out of a claim numbered 10-928 a portion of which is represented by a check in the amount of \$5.62 and a claim numbered TR-1-182 a portion of which is represented by a check in the amount of \$11.74, said checks representing the eighth and final dividend payments on the respective claims against the aforesaid The Guardian Trust Company and presently in the

custody of Irving C. Bolton, 5701 Carnegie Avenue, Cleveland, Ohio, and any and all rights to demand, enforce and collect the aforesaid debts or other obligations, and any and all rights in, to, and under, including particularly, but not limited to, the right to possession and presentation for collection and payment of the aforesaid checks, and any and all rights in, to, and under the aforesaid claims including the right to receive any future payments thereunder,

is property within the United States owned or controlled by, payable or deliverable to, held on behalf of or on account of, or owing to, or which is evidence of ownership or control by Margarete Bock, the aforesaid national of a designated enemy country (Germany);

4. That the property described as follows: Those certain debts or other obligations, matured or unmatured, of the Superintendent of Banks for the State of Ohio as Liquidator of The Guardian Trust Company, P. O. Box No. 6537, Cleveland, Ohio, arising out of a claim numbered 10-926 a portion of which is represented by a check in the amount of \$2.14 and a claim numbered TR-1-181 a portion of which is represented by a check in the amount of \$13.25, said checks representing the eighth and final dividend payments on the respective claims against the aforesaid The Guardian Trust Company and presently in the custody of Irving C. Bolton, 5701 Carnegie Avenue, Cleveland, Ohio, and any and all rights to demand, enforce and collect the aforesaid debts or other obligations, and any and all rights in, to, and under, including particularly, but not limited to, the right to possession and presentation for collection and payment of the aforesaid checks, and any and all rights in, to, and under the aforesaid claims including the right to receive any future payments thereunder,

is property within the United States owned or controlled by, payable or deliverable to, held on behalf of or on account of, or owing to, or which is evidence of ownership or control by Frieda Bock, the aforesaid national of a designated enemy country (Germany);

and it is hereby determined:

5. That to the extent that the persons named in subparagraphs 1 and 2 hereof are not within a designated enemy country, the national interest of the United States requires that such persons be treated as nationals of a designated enemy country (Germany).

All determinations and all action required by law, including appropriate consultation and certification, having been made and taken, and, it being deemed necessary in the national interest,

There is hereby vested in the Attorney General of the United States the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest of and for the benefit of the United States.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order 9193, as amended.

Executed at Washington, D. C., on May 15, 1950.

For the Attorney General.

[SEAL] HAROLD I. BAYNTON,
Acting Director,
Office of Alien Property.

[F. R. Doc. 50-4629; Filed, May 29, 1950;
8:49 a. m.]

[Vesting Order, 14863]

JOSEPH AND PAULA FASTENMAYER

In re: Bank account owned by Joseph Fastenmayer and Paula Fastenmayer and stock, safe deposit lease and contents owned by Joseph Fastenmayer. D-28-7149; D-1; E-1; F-1.

Under the authority of the Trading With the Enemy Act, as amended, Executive Order 9193, as amended, and Executive Order 9788, and pursuant to law, after investigation, it is hereby found:

1. That Joseph Fastenmayer and Paula Fastenmayer, each of whose last known address is Niedermehndorf, Germany, are residents of Germany and nationals of a designated enemy country (Germany);

2. That the property described as follows: That certain debt or other obligation owing to Joseph Fastenmayer and Paula Fastenmayer, by Hamburg Savings Bank, 1451 Myrtle Avenue, Brooklyn 27, New York, arising out of a savings account, entitled Joseph & Paula Fastenmayer, maintained at the aforesaid bank, and any and all rights to demand, enforce and collect the same,

is property within the United States owned or controlled by, payable or deliverable to, held on behalf of or on account of, or owing to, or which is evidence of ownership or control by, Joseph Fastenmayer and Paula Fastenmayer, the aforesaid nationals of a designated enemy country (Germany);

3. That the property described as follows:

a. Seventy-one (71) shares of \$10.00 par value common capital stock of Cities Service Company, 60 Wall Street, New York, 5, New York, a corporation organized under the laws of the State of Delaware, evidenced by a certificate numbered LA-94688, registered in the name of Joseph Fastenmayer, together with all declared and unpaid dividends thereon,

b. All rights and interests created in Joseph Fastenmayer, under and by virtue of a safe deposit box lease agreement by and between Joseph Fastenmayer and the Hamburg Savings Bank, 1451 Myrtle Avenue, Brooklyn 27, New York, relating to Safe Deposit Box No. 80, located in the vaults of said bank, including particularly but not limited to, the right of access to said safe deposit box, and

c. All property of any nature whatsoever owned by Joseph Fastenmayer, located in the safe deposit box referred to in subparagraph 3 (b) hereof, and any and all rights of said person evidenced or represented thereby,

is property within the United States owned or controlled by, payable or deliverable to, held on behalf of or on account of, or owing to, or which is evidence of ownership or control by, Joseph Fastenmayer, the aforesaid national of a designated enemy country (Germany);

and it is hereby determined:

4. That to the extent that the persons named in subparagraph 1 hereof are not within a designated enemy country, the national interest of the United States requires that such persons be treated as nationals of a designated enemy country (Germany).

All determinations and all action required by law, including appropriate consultation and certification, having been made and taken, and, it being deemed necessary in the national interest,

There is hereby vested in the Attorney General of the United States the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest of and for the benefit of the United States.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order 9193, as amended.

Executed at Washington, D. C., on May 15, 1950.

For the Attorney General.

[SEAL] HAROLD I. BAYNTON,
Acting Director,
Office of Alien Property.

[F. R. Doc. 50-4630; Filed, May 29, 1950;
8:49 a. m.]

[Vesting Order 14865]

PAUL JURGES

In re: Bonds and coupons owned by and debt owing to Paul Jurgas. F-28-4973-A-1/E-1.

Under the authority of the Trading With the Enemy Act, as amended, Executive Order 9193, as amended, and Executive Order 9788, and pursuant to law, after investigation, it is hereby found:

1. That Paul Jurgas, whose last known address is (20b) Holzwinden Weser An der Schleifmuehle 2, Germany, is a resident of Germany and a national of a designated enemy country (Germany);

2. That the property described as follows:

a. Four (4) Berlin City Electric Company, Inc., 25-year debentures, of \$1,000.00 face value each, bearing the numbers 5448, 5449, 6699 and 2373, said debentures presently in the custody of Bankers Trust Company, 16 Wall Street, New York, New York, in an account numbered 3997, entitled Mr. Paul Jurgas, together with any and all rights thereunder and thereto,

b. Two (2) Temporary Certificates for Republic of Chile External Sinking Fund Dollar Bonds of 1948, of \$500.00 face value each, said temporary certificates presently in the custody of Bankers Trust Company, 16 Wall Street, New York, New York, in an account numbered 3997, entitled Mr. Paul Jurgas, together with any and all rights thereunder and thereto,

c. Three (3) Conversion Office for German Foreign Debts Dollar Bonds, bearing the numbers C35309 and 58489 of \$100.00 face value each and D009285 of \$500.00 face value, said bonds presently in the custody of Bankers Trust Company, 16 Wall Street, New York, New York, in an account numbered 3997, entitled Mr. Paul Jurgas, together with any and all rights thereunder and thereto,

d. Nine (9) coupons of the aggregate face value of \$31.50 detached from Conversion Office for German Foreign Debts Dollar Bonds numbered C35309, 58489 and D009285, said coupons presently in the custody of Bankers Trust Company, 16 Wall Street, New York, New York, in an account numbered 3997, entitled Mr. Paul Jurgas, together with any and all rights thereunder and thereto,

e. Three (3) German Government External Loan of 1924 Bonds, bearing the numbers 017942 and 017943 of \$1,000.00 face value each and 0685 of \$500.00 face value, said bonds presently in the custody of Bankers Trust Company, 16 Wall Street, New York, New York, in an account numbered 3997, entitled Mr. Paul Jurgas, together with any and all rights thereunder and thereto,

f. One (1) Hamburg Electric Company debenture of \$500.00 face value, bearing the number D197, said debenture presently in the custody of Bankers Trust Company, 16 Wall Street, New York, New York, in an account numbered 3997, entitled Mr. Paul Jurgas, together with any and all rights thereunder and thereto,

g. Two (2) coupons of the aggregate face value of \$10.00 detached from Hamburg Electric Company debenture numbered D197, said coupons presently in the custody of Bankers Trust Company, 16 Wall Street, New York, New York, in an account numbered 3997, entitled Mr. Paul Jurgas, together with any and all rights thereunder and thereto,

h. Three (3) Republic of Peru External Sinking Fund Series C Bonds of \$1,000.00 face value each, said bonds presently in the custody of Bankers Trust Company, 16 Wall Street, New York, New York, in an account numbered 3997, entitled Mr. Paul Jurgas, together with any and all rights thereunder and thereto,

i. Fourteen (14) coupons of the aggregate face value of \$455.00, detached from City of Rio De Janeiro, Brazil, 6½% External Sinking Fund Bonds numbered 9984 and 9985, said coupons presently in the custody of Bankers Trust Company, 16 Wall Street, New York, New York, in an account numbered 3997, entitled Mr. Paul Jurgas, together with any and all rights thereunder and thereto,

j. Two (2) City of Rio De Janeiro, Brazil, 2% Federal District External Secured Sinking Fund Bonds of \$1,000.00 face value each, said bonds presently in the custody of Bankers Trust Company, 16 Wall Street, New York, New York, in an account numbered 3997, entitled Mr. Paul Jurgas, together with any and all rights thereunder and thereto,

k. That certain debt or other obligation owing to Paul Jurgas, by Bankers Trust Company, 16 Wall Street, New York, New York, arising out of a custodian cash account, entitled Mr. Paul Jurgas, maintained at the aforesaid bank,

and any and all rights to demand, enforce and collect the same,

is property within the United States owned or controlled by, payable or deliverable to, held on behalf of or on account of, or owing to, or which is evidence of ownership or control by, the aforesaid national of a designated enemy country (Germany);

and it is hereby determined:

3. That to the extent that the person named in subparagraph 1 hereof is not within a designated enemy country, the national interest of the United States requires that such person be treated as a national of a designated enemy country (Germany).

All determinations and all action required by law, including appropriate consultation and certification, having been made and taken, and, it being deemed necessary in the national interest,

There is hereby vested in the Attorney General of the United States the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest of and for the benefit of the United States.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order 9193, as amended.

Executed at Washington, D. C., on May 15, 1950.

For the Attorney General.

[SEAL] HAROLD I. BAYNTON,
Acting Director,
Office of Alien Property.

[P. R. Doc. 50-4631; Filed, May 29, 1950;
8:49 a. m.]

[Vesting Order 14666]

HACHIRO KAWAHARA ET AL.

In re: Bonds owned by Hachiro Kawahara and others. D-66-1035-D-1, D-39-15278-D-1, F-39-3167-D-1, F-39-6714-D-1, F-39-6715-D-1, F-39-6716-D-1.

Under the authority of the Trading With the Enemy Act, as amended, Executive Order 9193, as amended, and Executive Order 9788, and pursuant to law, after investigation, it is hereby found:

1. That Hachiro Kawahara, Teizo Mori, Takeshi Sawada, Takuma Tsutsumi, and Jukichi Yamaki, who there is reasonable cause to believe are residents of Japan, are nationals of a designated enemy country (Japan);

2. That the property described as follows: Those certain debts or other obligations of General Public Utilities Corporation, 61 Broadway, New York 6, New York, as Successor in interest to Associated Gas and Electric Company and Associated Gas and Electric Corporation, evidenced by One (1) Associated Gas and Electric Corporation 8% Eight Year Gold Bond due 1940, of \$100.00 principal amount, bearing the number RM28261, registered in the name of Hachiro Kawahara, together with any and all rights to demand, enforce and

collect the same, including particularly but not limited to all rights to receive redemption proceeds payable on account of said bond,

is property within the United States owned or controlled by, payable or deliverable to, held on behalf of or on account of, or owing to, or which is evidence of ownership or control by, Hachiro Kawahara, the aforesaid national of a designated enemy country (Japan);

3. That the property described as follows: Those certain debts or other obligations of General Public Utilities Corporation, 61 Broadway, New York 6, New York, as Successor in interest to Associated Gas and Electric Company and Associated Gas and Electric Corporation, evidenced by One (1) Associated Gas and Electric Corporation 8% Eight Year Gold Bond due 1940, of \$200.00 principal amount, bearing the number RM27693, registered in the name of Teizo Mori, together with any and all rights to demand, enforce and collect the same, including particularly but not limited to all rights to receive redemption proceeds payable on account of said bond,

is property within the United States owned or controlled by, payable or deliverable to, held on behalf of or on account of, or owing to, or which is evidence of ownership or control by, Teizo Mori, the aforesaid national of a designated enemy country (Japan);

4. That the property described as follows: Those certain debts or other obligations of General Public Utilities Corporation, 61 Broadway, New York 6, New York, as Successor in interest to Associated Gas and Electric Company and Associated Gas and Electric Corporation, evidenced by One (1) Associated Gas and Electric Corporation 8% Eight Year Gold Bond due 1940, of \$100.00 principal amount, bearing the number RM27710, registered in the name of Takeshi Sawada, together with any and all rights to demand, enforce and collect the same, including particularly but not limited to all rights to receive redemption proceeds payable on account of said bond,

is property within the United States owned or controlled by, payable or deliverable to, held on behalf of or on account of, or owing to, or which is evidence of ownership or control by, Takeshi Sawada, the aforesaid national of a designated enemy country (Japan);

5. That the property described as follows: Those certain debts or other obligations of General Public Utilities Corporation, 61 Broadway, New York 6, New York, as Successor in interest to Associated Gas and Electric Company and Associated Gas and Electric Corporation, evidenced by One (1) Associated Gas and Electric Corporation 8% Eight Year Gold Bond due 1940, of \$200.00 principal amount, bearing the number RM28272, registered in the name of Takuma Tsutsumi, together with any and all rights to demand, enforce and collect the same, including particularly but not limited to all rights to receive redemption proceeds payable on account of said bond,

is property within the United States owned or controlled by, payable or deliverable to, held on behalf of or on account of, or owing to, or which is evidence of ownership or control by, Takuma Tsutsumi, the aforesaid national of a designated enemy country (Japan);

6. That the property described as follows: Those certain debts or other obligations of General Public Utilities Corporation, 61 Broadway, New York 6, New York, as Successor in interest to Associated Gas and Electric Company and Associated Gas and Electric Corporation, evidenced by One (1) Associated Gas and Electric Corporation 8% Eight Year Gold Bond due 1940, of \$200.00 principal amount, bearing the number RM32071, registered in the name of Jukichi Yamaki, together with any and all rights to demand, enforce and collect the same, including particularly but not limited to all rights to receive redemption proceeds payable on account of said bond,

is property within the United States owned or controlled by, payable or deliverable to, held on behalf of or on account of, or owing to, or which is evidence of ownership or control by, Jukichi Yamaki, the aforesaid national of a designated enemy country (Japan);

and it is hereby determined:

7. That to the extent that the persons named in subparagraph 1 hereof are not within a designated enemy country, the national interest of the United States requires that such persons be treated as nationals of a designated enemy country (Japan);

All determinations and all action required by law, including appropriate consultation and certification, having been made and taken, and, it being deemed necessary in the national interest,

There is hereby vested in the Attorney General of the United States the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest of and for the benefit of the United States.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order 9193, as amended.

Executed at Washington, D. C., on May 15, 1950.

For the Attorney General.

[SEAL] HAROLD I. BAYNTON,
Acting Director,
Office of Alien Property.

[P. R. Doc. 50-4632; Filed, May 29, 1950;
8:49 a. m.]

[Vesting Order 14667]

B. KAWATE AND S. KAWATE

In re: Debt owing to B. Kawate and S. Kawate. F-39-6728-C-1.

Under the authority of the Trading With the Enemy Act, as amended, Executive Order 9193, as amended, and Executive Order 9788, and pursuant to law, after investigation, it is hereby found:

1. That B. Kawate and S. Kawate, each of whose last known address is No. 355 Ushida-machi, Higashi-ku, Hiroshima-shi, Japan, are residents of Japan and nationals of a designated enemy country (Japan);

2. That the property described as follows: That certain debt or other obligation owing to B. Kawate and S. Kawate, by Kikuye Harakawa, formerly Kikuye Yamamoto, Box 8, Parlier, California, in the amount of \$11,500, as of November 22, 1940, arising from the purchase by Ray A. Yamamoto, deceased, of real property situated in the County of Fresno, California, and described as Southeast quarter of northeast quarter of Section 19, Township 15 south, Range 23 east, M. D. B. & M., which property was distributed to said Kikuye Harakawa, upon the death of said Ray A. Yamamoto, together with any and all accruals thereto, and any and all rights to demand, enforce and collect the same.

is property within the United States owned or controlled by, payable or deliverable to, held on behalf of or on account of, or owing to, or which is evidence of ownership or control by, the aforesaid nationals of a designated enemy country (Japan);

and it is hereby determined:

3. That to the extent that the persons named in subparagraph 1 hereof are not within a designated enemy country, the national interest of the United States requires that such persons be treated as nationals of a designated enemy country (Japan).

All determinations and all action required by law, including appropriate consultation and certification, having been made and taken, and, it being deemed necessary in the national interest,

There is hereby vested in the Attorney General of the United States the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest of and for the benefit of the United States.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order 9193, as amended.

Executed at Washington, D. C., on May 15, 1950.

For the Attorney General.

[SEAL] HAROLD I. BAYNTON,
Acting Director,
Office of Alien Property.

[F. R. Doc. 50-4633; Filed, May 29, 1950;
8:49 a. m.]

[Vesting Order 14673]

NOSAWA & Co., LTD.

In re: Debt owing to Nosawa & Co., Ltd. F-39-619-C-2.

Under the authority of the Trading With the Enemy Act, as amended, Executive Order 9193, as amended, and Executive Order 9788, and pursuant to law, after investigation, it is hereby found:

1. That Nosawa & Co., Ltd., the last known address of which is Kobe, Japan, is a corporation organized under the laws of Japan, and which has or, since the effective date of Executive Order 8389, as amended, has had its principal place of business in Japan, and is a national of a designated enemy country (Japan);

2. That the property described as follows: That certain debt or other obligation of the Superintendent of Banks of the State of New York, as Liquidator of the Business and Property in New York of The Yokohoma Specie Bank, Ltd., 80

Spring Street, New York 12, New York, arising out of a collection after closing account entitled Nosawa & Co., Ltd., Kobe, Japan, maintained at the aforesaid Bank, and any and all rights to demand, enforce and collect the same,

is property within the United States owned or controlled by, payable or deliverable to, held on behalf of or on account of, or owing to, or which is evidence of ownership or control by, the aforesaid national of a designated enemy country (Japan);

and it is hereby determined:

3. That to the extent that the person named in subparagraph 1 hereof is not within a designated enemy country, the national interest of the United States requires that such person be treated as a national of a designated enemy country (Japan).

All determinations and all action required by law, including appropriate consultation and certification, having been made and taken, and, it being deemed necessary in the national interest,

There is hereby vested in the Attorney General of the United States the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest of and for the benefit of the United States.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order 9193, as amended.

Executed at Washington, D. C., on May 15, 1950.

For the Attorney General.

[SEAL] HAROLD I. BAYNTON,
Acting Director,
Office of Alien Property.

[F. R. Doc. 50-4634; Filed, May 29, 1950;
8:50 a. m.]

